

# EXHIBIT C

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9 Lisa.yang@lrklawyers.com

10 Attorneys for Plaintiff

11 [Additional counsel appears on signature page.]

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF LOS ANGELES

14 WASHINGTON STATE PLUMBING & PIPEFITTING  
15 PENSION TRUST, Individually and On Behalf of All  
16 Others Similarly Situated,

17 Plaintiff,

18 v.

19 COUNTRYWIDE FINANCIAL CORPORATION,  
20 COUNTRYWIDE HOME LOANS, INC.,  
21 COUNTRYWIDE SECURITIES CORPORATION,  
22 CWALT, INC., CWMBS, INC., CWABS, INC.,  
23 CWHEQ, INC., J.P. MORGAN SECURITIES INC.,  
24 DEUTSCHE BANK SECURITIES INC., BEAR,  
25 STEARNS & CO. INC., BANK OF AMERICA  
26 SECURITIES LLC, UBS SECURITIES, LLC,  
27 MORGAN STANLEY & CO. INCORPORATED,  
28 EDWARD D. JONES & CO., L.P., CITIGROUP  
GLOBAL MARKETS INC., GOLDMAN, SACHS &  
CO., CREDIT SUISSE SECURITIES (USA) LLC,  
GREENWICH CAPITAL MARKETS, INC., LEHMAN  
BROTHERS INC., BARCLAYS CAPITAL INC., HSBC  
SECURITIES (USA), BNP PARIBAS SECURITIES  
CORP., MERRILL LYNCH, PIERCE, FENNER &  
SMITH INCORPORATED, STANFORD L.  
KURLAND, DAVID A. SPECTOR, ERIC P.  
SIERACKI, N. JOSHUA ADLER, RANJIT  
KRIPALANI, JENNIFER S. SANDEFUR, DAVID  
SAMBOL,

[Caption continued on following pages.]

**FILED**  
LOS ANGELES SUPERIOR COURT

JUN 12 2008

JOHN A. CLARKE, CLERK  
BY MARY GARCIA, DEPUTY

CASE NO.

BC392571

CLASS ACTION COMPLAINT FOR  
VIOLATION OF §§ 11, 12(A)(2) AND  
15 OF THE SECURITIES ACT OF  
1933

JURY TRIAL DEMANDED

CIT/CASE: BC392571 LEA/MEF:  
RECEIPT #: CM978057023  
DATE PAID: 06/12/08 01:52:55 PM  
PAYMENT: \$870.00  
RECEIVED: 0310  
CHECK: 870.00  
CASH:  
CHANGE:  
CARD:

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COMPLAINT FOR VIOLATION OF §§11, 12(A)(2) AND 15 OF THE SECURITIES ACT OF 1933

1 ALTERNATIVE LOAN TRUST 2005-27,  
2 ALTERNATIVE LOAN TRUST 2005-28CB,  
3 ALTERNATIVE LOAN TRUST 2005-30CB,  
4 ALTERNATIVE LOAN TRUST 2005-31,  
5 ALTERNATIVE LOAN TRUST 2005-32T1,  
6 ALTERNATIVE LOAN TRUST 2005-33CB,  
7 ALTERNATIVE LOAN TRUST 2005-34CB,  
8 ALTERNATIVE LOAN TRUST 2005-35CB,  
9 ALTERNATIVE LOAN TRUST 2005-36,  
10 ALTERNATIVE LOAN TRUST 2005-37TL,  
11 ALTERNATIVE LOAN TRUST 2005-38,  
12 ALTERNATIVE LOAN TRUST 2005-40CB,  
13 ALTERNATIVE LOAN TRUST 2005-41,  
14 ALTERNATIVE LOAN TRUST 2005-42CB,  
15 ALTERNATIVE LOAN TRUST 2005-43,  
16 ALTERNATIVE LOAN TRUST 2005-44,  
17 ALTERNATIVE LOAN TRUST 2005-45,  
18 ALTERNATIVE LOAN TRUST 2005-46CB,  
19 ALTERNATIVE LOAN TRUST 2005-47CB,  
20 ALTERNATIVE LOAN TRUST 2005-48TL,  
21 ALTERNATIVE LOAN TRUST 2005-49CB,  
22 ALTERNATIVE LOAN TRUST 2005-50CB,  
23 ALTERNATIVE LOAN TRUST 2005-51,  
24 ALTERNATIVE LOAN TRUST 2005-52CB,  
25 ALTERNATIVE LOAN TRUST 2005-53T2,  
26 ALTERNATIVE LOAN TRUST 2005-54CB,  
27 ALTERNATIVE LOAN TRUST 2005-55CB,  
28 ALTERNATIVE LOAN TRUST 2005-56,  
ALTERNATIVE LOAN TRUST 2005-57CB,  
ALTERNATIVE LOAN TRUST 2005-58,  
ALTERNATIVE LOAN TRUST 2005-59,  
ALTERNATIVE LOAN TRUST 2005-60T1,  
ALTERNATIVE LOAN TRUST 2005-61,  
ALTERNATIVE LOAN TRUST 2005-62,  
ALTERNATIVE LOAN TRUST 2005-63,  
ALTERNATIVE LOAN TRUST 2005-64CB,  
ALTERNATIVE LOAN TRUST 2005-65CB,  
ALTERNATIVE LOAN TRUST 2005-67CB,  
ALTERNATIVE LOAN TRUST 2005-70CB,  
ALTERNATIVE LOAN TRUST 2005-71,  
ALTERNATIVE LOAN TRUST 2005-72,  
ALTERNATIVE LOAN TRUST 2005-73CB,  
ALTERNATIVE LOAN TRUST 2005-74T1,  
ALTERNATIVE LOAN TRUST 2005-75CB,  
ALTERNATIVE LOAN TRUST 2005-76,  
ALTERNATIVE LOAN TRUST 2005-77T1,  
ALTERNATIVE LOAN TRUST 2005-79CB,  
ALTERNATIVE LOAN TRUST 2005-80CB,  
ALTERNATIVE LOAN TRUST 2005-81,  
ALTERNATIVE LOAN TRUST 2005-82,  
ALTERNATIVE LOAN TRUST 2005-83CB,  
ALTERNATIVE LOAN TRUST 2005-84,  
ALTERNATIVE LOAN TRUST 2005-85CB,  
ALTERNATIVE LOAN TRUST 2005-86CB,  
ALTERNATIVE LOAN TRUST 2005-AR1,

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1 ALTERNATIVE LOAN TRUST 2005-IM1,  
2 ALTERNATIVE LOAN TRUST 2005-J10,  
3 ALTERNATIVE LOAN TRUST 2005-J11,  
4 ALTERNATIVE LOAN TRUST 2005-J12,  
5 ALTERNATIVE LOAN TRUST 2005-J13,  
6 ALTERNATIVE LOAN TRUST 2005-J14,  
7 ALTERNATIVE LOAN TRUST 2005-J7,  
8 ALTERNATIVE LOAN TRUST 2005-J8,  
9 ALTERNATIVE LOAN TRUST 2005-J9,  
10 ALTERNATIVE LOAN TRUST 2006-11CB,  
11 ALTERNATIVE LOAN TRUST 2006-12CB,  
12 ALTERNATIVE LOAN TRUST 2006-13T1,  
13 ALTERNATIVE LOAN TRUST 2006-14CB,  
14 ALTERNATIVE LOAN TRUST 2006-15CB,  
15 ALTERNATIVE LOAN TRUST 2006-16CB,  
16 ALTERNATIVE LOAN TRUST 2006-17T1,  
17 ALTERNATIVE LOAN TRUST 2006-18CB,  
18 ALTERNATIVE LOAN TRUST 2006-19CB,  
19 ALTERNATIVE LOAN TRUST 2006-20CB,  
20 ALTERNATIVE LOAN TRUST 2006-21CB,  
21 ALTERNATIVE LOAN TRUST 2006-23CB,  
22 ALTERNATIVE LOAN TRUST 2006-24CB,  
23 ALTERNATIVE LOAN TRUST 2006-25CB,  
24 ALTERNATIVE LOAN TRUST 2006-26CB,  
25 ALTERNATIVE LOAN TRUST 2006-27CB,  
26 ALTERNATIVE LOAN TRUST 2006-28CB,  
27 ALTERNATIVE LOAN TRUST 2006-29T1,  
28 ALTERNATIVE LOAN TRUST 2006-2CB,  
ALTERNATIVE LOAN TRUST 2006-30T1,  
ALTERNATIVE LOAN TRUST 2006-31CB,  
ALTERNATIVE LOAN TRUST 2006-32CB,  
ALTERNATIVE LOAN TRUST 2006-33CB,  
ALTERNATIVE LOAN TRUST 2006-34,  
ALTERNATIVE LOAN TRUST 2006-35CB,  
ALTERNATIVE LOAN TRUST 2006-36T2,  
ALTERNATIVE LOAN TRUST 2006-37R,  
ALTERNATIVE LOAN TRUST 2006-39CB,  
ALTERNATIVE LOAN TRUST 2006-40T1,  
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ALTERNATIVE LOAN TRUST 2006-43CB,  
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ALTERNATIVE LOAN TRUST 2006-46,  
ALTERNATIVE LOAN TRUST 2006-4CB,  
ALTERNATIVE LOAN TRUST 2006-5T2,  
ALTERNATIVE LOAN TRUST 2006-69,  
ALTERNATIVE LOAN TRUST 2006-6CB,  
ALTERNATIVE LOAN TRUST 2006-7CB,  
ALTERNATIVE LOAN TRUST 2006-8T1,  
ALTERNATIVE LOAN TRUST 2006-9T1,  
ALTERNATIVE LOAN TRUST 2006-HY10,  
ALTERNATIVE LOAN TRUST 2006-HY11,  
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ALTERNATIVE LOAN TRUST 2006-HY3,

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1 ALTERNATIVE LOAN TRUST 2006-J1,  
2 ALTERNATIVE LOAN TRUST 2006-J2,  
3 ALTERNATIVE LOAN TRUST 2006-J3,  
4 ALTERNATIVE LOAN TRUST 2006-J4,  
5 ALTERNATIVE LOAN TRUST 2006-J5,  
6 ALTERNATIVE LOAN TRUST 2006-J6,  
7 ALTERNATIVE LOAN TRUST 2006-J7,  
8 ALTERNATIVE LOAN TRUST 2006-J8,  
9 ALTERNATIVE LOAN TRUST 2006-OA1,  
10 ALTERNATIVE LOAN TRUST 2006-OA10,  
11 ALTERNATIVE LOAN TRUST 2006-OA11,  
12 ALTERNATIVE LOAN TRUST 2006-OA12,  
13 ALTERNATIVE LOAN TRUST 2006-OA14,  
14 ALTERNATIVE LOAN TRUST 2006-OA16,  
15 ALTERNATIVE LOAN TRUST 2006-OA17,  
16 ALTERNATIVE LOAN TRUST 2006-OA18,  
17 ALTERNATIVE LOAN TRUST 2006-OA19,  
18 ALTERNATIVE LOAN TRUST 2006-OA2,  
19 ALTERNATIVE LOAN TRUST 2006-OA21,  
20 ALTERNATIVE LOAN TRUST 2006-OA22,  
21 ALTERNATIVE LOAN TRUST 2006-OA3,  
22 ALTERNATIVE LOAN TRUST 2006-OA6,  
23 ALTERNATIVE LOAN TRUST 2006-OA7,  
24 ALTERNATIVE LOAN TRUST 2006-OA8,  
25 ALTERNATIVE LOAN TRUST 2006-OA9,  
26 ALTERNATIVE LOAN TRUST 2006-OC1,  
27 ALTERNATIVE LOAN TRUST 2006-OC10,  
28 ALTERNATIVE LOAN TRUST 2006-OC11,  
ALTERNATIVE LOAN TRUST 2006-OC2,  
ALTERNATIVE LOAN TRUST 2006-OC3,  
ALTERNATIVE LOAN TRUST 2006-OC4,  
ALTERNATIVE LOAN TRUST 2006-OC5,  
ALTERNATIVE LOAN TRUST 2006-OC6,  
ALTERNATIVE LOAN TRUST 2006-OC7,  
ALTERNATIVE LOAN TRUST 2006-OC8,  
ALTERNATIVE LOAN TRUST 2006-OC9,  
ALTERNATIVE LOAN TRUST 2007-10CB,  
ALTERNATIVE LOAN TRUST 2007-11T1,  
ALTERNATIVE LOAN TRUST 2007-12T1,  
ALTERNATIVE LOAN TRUST 2007-13,  
ALTERNATIVE LOAN TRUST 2007-14T2,  
ALTERNATIVE LOAN TRUST 2007-15CB,  
ALTERNATIVE LOAN TRUST 2007-16CB,  
ALTERNATIVE LOAN TRUST 2007-17CB,  
ALTERNATIVE LOAN TRUST 2007-18CB,  
ALTERNATIVE LOAN TRUST 2007-19,  
ALTERNATIVE LOAN TRUST 2007-1T1,  
ALTERNATIVE LOAN TRUST 2007-20,  
ALTERNATIVE LOAN TRUST 2007-21CB,  
ALTERNATIVE LOAN TRUST 2007-22,  
ALTERNATIVE LOAN TRUST 2007-23CB,  
ALTERNATIVE LOAN TRUST 2007-24,  
ALTERNATIVE LOAN TRUST 2007-25,  
ALTERNATIVE LOAN TRUST 2007-2CB,  
ALTERNATIVE LOAN TRUST 2007-3T1,

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1 ALTERNATIVE LOAN TRUST 2007-4CB,  
2 ALTERNATIVE LOAN TRUST 2007-5CB,  
3 ALTERNATIVE LOAN TRUST 2007-6,  
4 ALTERNATIVE LOAN TRUST 2007-7T2,  
5 ALTERNATIVE LOAN TRUST 2007-8CB,  
6 ALTERNATIVE LOAN TRUST 2007-9T1,  
7 ALTERNATIVE LOAN TRUST 2007-AL1,  
8 ALTERNATIVE LOAN TRUST 2007-HY2,  
9 ALTERNATIVE LOAN TRUST 2007-HY3,  
10 ALTERNATIVE LOAN TRUST 2007-HY4,  
11 ALTERNATIVE LOAN TRUST 2007-HY5R,  
12 ALTERNATIVE LOAN TRUST 2007-HY6,  
13 ALTERNATIVE LOAN TRUST 2007-HY7C,  
14 ALTERNATIVE LOAN TRUST 2007-HY8C,  
15 ALTERNATIVE LOAN TRUST 2007-HY9,  
16 ALTERNATIVE LOAN TRUST 2007-J1,  
17 ALTERNATIVE LOAN TRUST 2007-J2,  
18 ALTERNATIVE LOAN TRUST 2007-OA10,  
19 ALTERNATIVE LOAN TRUST 2007-OA11,  
20 ALTERNATIVE LOAN TRUST 2007-OA2,  
21 ALTERNATIVE LOAN TRUST 2007-OA3,  
22 ALTERNATIVE LOAN TRUST 2007-OA4,  
23 ALTERNATIVE LOAN TRUST 2007-OA6,  
24 ALTERNATIVE LOAN TRUST 2007-OA7,  
25 ALTERNATIVE LOAN TRUST 2007-OA8,  
26 ALTERNATIVE LOAN TRUST 2007-OA9,  
27 ALTERNATIVE LOAN TRUST 2007-OH1,  
28 ALTERNATIVE LOAN TRUST 2007-OH2,  
ALTERNATIVE LOAN TRUST 2007-OH3,  
ALTERNATIVE LOAN TRUST RESECURITIZATION  
2006-22R,  
ALTERNATIVE LOAN TRUST RESECURITIZATION  
2007-26R,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-15,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-16,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-17,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-18,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-19,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-20,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-21,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-22,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-23,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-24,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-25,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-26,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-27,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-28,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-29,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-30,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-31,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-  
HYB10,  
CHL MORTGAGE PASS-THROUGH TRUST 2005-

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1 HYB4,  
2 CHL MORTGAGE PASS-THROUGH TRUST 2005-  
3 HYB5,  
4 CHL MORTGAGE PASS-THROUGH TRUST 2005-  
5 HYB6,  
6 CHL MORTGAGE PASS-THROUGH TRUST 2005-  
7 HYB7,  
8 CHL MORTGAGE PASS-THROUGH TRUST 2005-  
9 HYB8,  
10 CHL MORTGAGE PASS-THROUGH TRUST 2005-J2,  
11 CHL MORTGAGE PASS-THROUGH TRUST 2005-J3,  
12 CHL MORTGAGE PASS-THROUGH TRUST 2005-J4,  
13 CHL MORTGAGE PASS-THROUGH TRUST 2006-1,  
14 CHL MORTGAGE PASS-THROUGH TRUST 2006-10,  
15 CHL MORTGAGE PASS-THROUGH TRUST 2006-11,  
16 CHL MORTGAGE PASS-THROUGH TRUST 2006-12,  
17 CHL MORTGAGE PASS-THROUGH TRUST 2006-13,  
18 CHL MORTGAGE PASS-THROUGH TRUST 2006-14,  
19 CHL MORTGAGE PASS-THROUGH TRUST 2006-15,  
20 CHL MORTGAGE PASS-THROUGH TRUST 2006-16,  
21 CHL MORTGAGE PASS-THROUGH TRUST 2006-17,  
22 CHL MORTGAGE PASS-THROUGH TRUST 2006-18,  
23 CHL MORTGAGE PASS-THROUGH TRUST 2006-19,  
24 CHL MORTGAGE PASS-THROUGH TRUST 2006-20,  
25 CHL MORTGAGE PASS-THROUGH TRUST 2006-21,  
26 CHL MORTGAGE PASS-THROUGH TRUST 2006-3,  
27 CHL MORTGAGE PASS-THROUGH TRUST 2006-6,  
28 CHL MORTGAGE PASS-THROUGH TRUST 2006-8,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-9,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
HYB1,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
HYB2,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
HYB3,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
HYB4,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
HYB5,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-J1,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-J2,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-J3,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-J4,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
OA4,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
OA5,  
CHL MORTGAGE PASS-THROUGH TRUST 2006-  
TM1,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-1,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-10,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-11,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-12,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-13,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-14,

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1 CHL MORTGAGE PASS-THROUGH TRUST 2007-15,  
2 CHL MORTGAGE PASS-THROUGH TRUST 2007-16,  
3 CHL MORTGAGE PASS-THROUGH TRUST 2007-17,  
4 CHL MORTGAGE PASS-THROUGH TRUST 2007-18,  
5 CHL MORTGAGE PASS-THROUGH TRUST 2007-19,  
6 CHL MORTGAGE PASS-THROUGH TRUST 2007-2,  
7 CHL MORTGAGE PASS-THROUGH TRUST 2007-20,  
8 CHL MORTGAGE PASS-THROUGH TRUST 2007-21,  
9 CHL MORTGAGE PASS-THROUGH TRUST 2007-3,  
10 CHL MORTGAGE PASS-THROUGH TRUST 2007-4,  
11 CHL MORTGAGE PASS-THROUGH TRUST 2007-5,  
12 CHL MORTGAGE PASS-THROUGH TRUST 2007-6,  
13 CHL MORTGAGE PASS-THROUGH TRUST 2007-7,  
14 CHL MORTGAGE PASS-THROUGH TRUST 2007-8,  
15 CHL MORTGAGE PASS-THROUGH TRUST 2007-9,  
16 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
17 HY1,  
18 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
19 HY3,  
20 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
21 HY4,  
22 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
23 HY5,  
24 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
25 HY6,  
26 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
27 HY7,  
28 CHL MORTGAGE PASS-THROUGH TRUST 2007-  
HYB1,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-  
HYB2,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-J1,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-J2,  
CHL MORTGAGE PASS-THROUGH TRUST 2007-J3,  
  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-10,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-11,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-12,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-13,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
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CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-15,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
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CWABS ASSET-BACKED CERTIFICATES TRUST  
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CWABS ASSET-BACKED CERTIFICATES TRUST  
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CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-5,

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1 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-6,  
2 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-7,  
3 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-8,  
4 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-9,  
5 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-AB2,  
6 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-AB3,  
7 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-AB4,  
8 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-AB5,  
9 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-BC3,  
10 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-BC4,  
11 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-BC5,  
12 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-HYB9,  
13 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-IM1,  
14 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-IM2,  
15 CWABS ASSET-BACKED CERTIFICATES TRUST  
2005-IM3,  
16 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-1,  
17 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-10,  
18 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-11,  
19 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-12,  
20 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-13,  
21 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-14,  
22 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-15,  
23 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-16,  
24 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-17,  
25 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-18,  
26 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-19,  
27 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-2,  
28 CWABS ASSET-BACKED CERTIFICATES TRUST

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1 2006-20,  
2 CWABS ASSET-BACKED CERTIFICATES TRUST  
3 2006-21,  
4 CWABS ASSET-BACKED CERTIFICATES TRUST  
5 2006-22,  
6 CWABS ASSET-BACKED CERTIFICATES TRUST  
7 2006-23,  
8 CWABS ASSET-BACKED CERTIFICATES TRUST  
9 2006-24,  
10 CWABS ASSET-BACKED CERTIFICATES TRUST  
11 2006-25,  
12 CWABS ASSET-BACKED CERTIFICATES TRUST  
13 2006-26,  
14 CWABS ASSET-BACKED CERTIFICATES TRUST  
15 2006-3,  
16 CWABS ASSET-BACKED CERTIFICATES TRUST  
17 2006-4,  
18 CWABS ASSET-BACKED CERTIFICATES TRUST  
19 2006-5,  
20 CWABS ASSET-BACKED CERTIFICATES TRUST  
21 2006-6,  
22 CWABS ASSET-BACKED CERTIFICATES TRUST  
23 2006-7,  
24 CWABS ASSET-BACKED CERTIFICATES TRUST  
25 2006-8,  
26 CWABS ASSET-BACKED CERTIFICATES TRUST  
27 2006-9,  
28 CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-ABC1,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-BC1,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-BC2,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-BC3,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-BC4,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-BC5,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
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CWABS ASSET-BACKED CERTIFICATES TRUST  
2006-SPS1,  
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2006-SPS2,  
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2007-1,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-10,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-11,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-12,  
CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-13,

Exhibit C

1 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-2,  
2 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-3,  
3 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-4,  
4 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-5,  
5 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-6,  
6 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-7,  
7 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-8,  
8 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-9,  
9 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-BC1,  
10 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-BC2,  
11 CWABS ASSET-BACKED CERTIFICATES TRUST  
2007-BC3,  
12  
13 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S1,  
14 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S10,  
15 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S2,  
16 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S3,  
17 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S4,  
18 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S5,  
19 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S6,  
20 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S7,  
21 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S8,  
22 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2006-S9,  
23 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2007-S1,  
24 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2007-S2,  
25 CWHEQ HOME EQUITY LOAN TRUST, SERIES  
2007-S3,  
26  
27 CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2005-C,  
28 CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2005-D,  
CWHEQ REVOLVING HOME EQUITY LOAN

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1 TRUST, SERIES 2005-E,  
2 CWHEQ REVOLVING HOME EQUITY LOAN  
3 TRUST, SERIES 2005-F,  
4 CWHEQ REVOLVING HOME EQUITY LOAN  
5 TRUST, SERIES 2005-G,  
6 CWHEQ REVOLVING HOME EQUITY LOAN  
7 TRUST, SERIES 2005-H,  
8 CWHEQ REVOLVING HOME EQUITY LOAN  
9 TRUST, SERIES 2005-I,  
10 CWHEQ REVOLVING HOME EQUITY LOAN  
11 TRUST, SERIES 2005-J,  
12 CWHEQ REVOLVING HOME EQUITY LOAN  
13 TRUST, SERIES 2005-K,  
14 CWHEQ REVOLVING HOME EQUITY LOAN  
15 TRUST, SERIES 2005-L,  
16 CWHEQ REVOLVING HOME EQUITY LOAN  
17 TRUST, SERIES 2005-M,  
18 CWHEQ REVOLVING HOME EQUITY LOAN  
19 TRUST, SERIES 2006-A,  
20 CWHEQ REVOLVING HOME EQUITY LOAN  
21 TRUST, SERIES 2006-B,  
22 CWHEQ REVOLVING HOME EQUITY LOAN  
23 TRUST, SERIES 2006-C,  
24 CWHEQ REVOLVING HOME EQUITY LOAN  
25 TRUST, SERIES 2006-D,  
26 CWHEQ REVOLVING HOME EQUITY LOAN  
27 TRUST, SERIES 2006-E,  
28 CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2006-F,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2006-G,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2006-H,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2006-I,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2007-A,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2007-B,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2007-C,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2007-D,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2007-E,  
CWHEQ REVOLVING HOME EQUITY LOAN  
TRUST, SERIES 2007-G,

Defendants.

**NATURE OF THE ACTION**

1  
2 1. This is a securities class action on behalf of all persons and entities who acquired the  
3 Alternative Loan Trust Certificates of CWALT, Inc. ("CWALT"); the CWABS Asset-Backed  
4 Trust Certificates of CWABS, Inc. ("CWABS"); the CHL Mortgage Pass-Through Trust  
5 Certificates of CWMBBS, Inc. ("CWMBBS"); and the CWHEQ Home Equity Loan Trust and the  
6 CWHEQ Revolving Home Equity Loan Trust Certificates of CWHEQ, Inc. ("CWHEQ")  
7 (collectively referred to as the "Trusts" or "Certificates") pursuant or traceable to false and  
8 misleading Registration Statements, Prospectuses and Prospectus Supplements (collectively, the  
9 "Prospectuses") issued between June 13, 2005 and December 27, 2007 and who were damaged  
10 thereby. This action involves solely *strict liability* and *negligence* claims brought pursuant to the  
11 Securities Act of 1933 (the "Securities Act").

12 2. Between June 13, 2005 and December 27, 2007, the Issuing and Underwriting  
13 Defendants (defined herein) caused Prospectuses to be filed with the Securities and Exchange  
14 Commission ("SEC") in connection with, and for the purpose of, issuing hundreds of billions of  
15 dollars of Trust Certificates. Each Trust was divided into several classes (or "tranches") which had  
16 different priorities of seniority, priorities of payment, exposure to default, and interest payment  
17 provisions.

18 3. Each Trust owned a pool of mortgage loans purportedly valued as high as \$2.99  
19 billion per Trust. The Prospectuses detailed the composition of the mortgage pools by type of loan,  
20 type of property, amount of loan, credit worthiness of the borrowers, and other criteria essential to  
21 investors' determination of the riskiness of the mortgage pool.

22 4. Investors purchased their interest in the Trusts by way of Certificates issued by the  
23 Issuing and Underwriting Defendants. These Certificates entitled investors to receive monthly  
24 interest and principal payments from the Trust in which they invested.

25 5. To enable investors to assess the risk of investing in the underlying mortgages, the  
26 Prospectuses included detailed disclosures about the underwriting standards purportedly used in  
27 connection with the underlying mortgage loans. The Prospectuses also included numerous  
28 representations about each Trust's mortgage pool/s such as the loan-to-value ("LTV") ratios used

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1 to qualify borrowers, the appraisals of properties underlying the mortgages, and the borrowers'  
2 debt-to-income ratios. The Prospectuses contained numerous material misrepresentations and  
3 omissions because, contrary to disclosures in the Prospectuses, many mortgages contained in the  
4 Trusts were not originated in accordance with the stated underwriting standards and were not  
5 originated in accordance with applicable regulations and laws. Furthermore, the disclosures  
6 regarding the mortgages' LTV ratios and debt-to-income ratios were manipulated by the Issuing  
7 Defendants through systematic over-appraisal of property values, lax (and sometimes nonexistent)  
8 income verification, and generally unsound underwriting practices.

9 6. Based on the misrepresentations contained in the Prospectuses, the Issuing and  
10 Underwriting Defendants were able to get AAA and AA credit ratings on many tranches of the  
11 Certificates.<sup>1</sup> However, by late-2007, the public began to learn about rapidly accelerating  
12 delinquencies and defaults on the mortgages underlying the Certificates; problems that were  
13 severely exacerbated (if not directly caused by) the Issuing Defendants' intentional and systemic  
14 over-appraisal of homes and lax underwriting. The Rating Agencies began to put negative-watch  
15 labels on many of the Certificates, and ultimately downgraded many of them. As a result of the  
16 material misrepresentations and omissions in the Prospectuses, investors purchased securities far  
17 riskier than they were led to believe.

18 7. Countrywide is currently the target of multiple investigations for its business  
19 practices, including many practices related to the origination of mortgages, and has received  
20 subpoenas from the Federal Bureau of Investigation ("FBI") and the California and Illinois  
21 Attorneys General. It has been reported that the probes center on Countrywide's lending and loan  
22 origination practices, and the role that it has played in the mortgage meltdown crisis. The Florida  
23 Attorney General is also investigating Countrywide for "unfair and deceptive trade practices,"  
24 including its sales and marketing tactics and its subprime loan underwriting, and has stated that he

25 <sup>1</sup> The rating agencies that rated the various tranches for each Certificate issued are: Moody's  
26 Investors Service, Inc. ("Moody's"), Fitch, Inc. ("Fitch") and/or Standard & Poor's Corporation  
27 ("S&P" and collectively, the "Rating Agencies"). The Rating Agencies are approved by the SEC  
28 as "Nationally Recognized Statistical Rating Organizations" and provide credit ratings which are  
used to distinguish among grades of creditworthiness of various securities under the federal  
securities laws.

1 is concerned that Countrywide may have put borrowers "into mortgages that in the first place they  
2 couldn't afford or loans with rates that were not what they were advertising or that were  
3 misleading." In other investigations, Bankruptcy Court regulators, which are a part of the U.S.  
4 Justice Department, are investigating Countrywide's foreclosure practices and whether the  
5 company tacked on improper fees and charges to loans in foreclosure. The SEC is also  
6 investigating Countrywide's executives for their behavior during the mortgage meltdown crisis.

7 8. Furthermore, courts across the country have castigated Countrywide for nearly every  
8 aspect of its business practices in originating, servicing and securitizing mortgages. For example,  
9 in *In re Countrywide Fin. Corp. Derivative Litig.*, --- F.Supp.2d ----, 2008 WL 2064977 (C.D. Cal.  
10 May 14, 2008), District Judge Mariana R. Pfaelzer's opinion included an extensive discussion of  
11 Countrywide's alleged violations of underwriting standards and concludes that:

12 ***The Court finds that Plaintiffs' numerous confidential witnesses***  
13 ***support a strong inference of a Company-wide culture that, at***  
14 ***every level, emphasized increased loan origination volume in***  
15 ***derogation of underwriting standards.*** Supporting this Company-  
16 wide inference, the confidential and non-confidential accounts  
17 cited in the Complaint (1) emanate from several geographic areas,  
18 *see id.* [ ] (providing similar testimony from former employees in  
19 Jacksonville, FL, Roseville, CA, Long Island, NY, Anchorage,  
20 AK, and Independence, OH); (2) span different levels of the  
21 Company hierarchy, *see id.* (underwriters, senior underwriters,  
22 senior loan officers, vice presidents, auditors, and external  
23 consultants remarking on the lack of adherence to Company  
24 standards in loan origination); and (3) remain consistent across  
25 different time periods, *see id.* (employees describing their  
26 experiences in 2004, 2005, 2006, and 2007). ***Strikingly, they tell***  
27 ***what is essentially the same story – a rampant disregard for***  
28 ***underwriting standards-from markedly different angles:***

• ***an auditor who assessed loans returned to the Company***  
found that many purported "prime" loans were issued to  
unqualified borrowers ... ;

• a longtime executive who held two vice president  
positions discovered that particularly risky loans that were  
routed out of the normal underwriting process (because  
they violated underwriting standards) were in fact regularly  
being approved, with Defendant Sambol's involvement ... ;

• Mark Zachary, a vice president in Countrywide's joint  
venture with KB Homes, found that ***appraisers were***  
***inflating appraisal values, essentially raising the risk of***  
***default on loans ... ;***



1 • *underwriters at various levels and offices attested to*  
2 *egregious instances of underwriting*, involving, for  
3 example, previously declined loans that would “come back  
4 to life” when new information qualifying the applicants  
would “miraculously appear,” and loans that were provided  
pursuant to borrowers’ patently ridiculous “stated incomes”  
... ; and

5 • a vice president in accounting left his job because he had  
6 been pressured to alter Countrywide’s financials by  
7 removing “bad loans” retroactively from the Company’s  
loans held for investment, so as to create the impression of  
a better hedging relationship ....

8 *Id.*, 2008 WL 2064977 at \*10-11 (emphasis added).

9  
10 9. As a result of Defendants’ wrongful acts and omissions Plaintiff and other Class  
11 members have suffered significant losses and damages. The Certificates are no longer marketable  
12 at prices anywhere near the prices paid by Plaintiff and the Class, and the holders of these  
13 Certificates have been exposed to far greater risk than represented in the Prospectuses.

14 **JURISDICTION AND VENUE**

15 10. The claims asserted herein arise under and pursuant to Sections 11, 12(a)(2), and 15  
16 of the Securities Act (15 U.S.C. §§ 77k and 77o).

17 11. This Court has jurisdiction over the subject matter of this action pursuant to Section  
18 22 of the Securities Act (15 U.S.C. § 77v), which explicitly states that “[e]xcept as provided in  
19 section 16(c), no case arising under this title and brought *in any State court* of competent  
20 jurisdiction shall be removed to any court in the United States.” Section 16(c) refers to “covered  
21 class actions,” which are defined as lawsuits brought as class actions or brought on behalf of more  
22 than 50 persons asserting claims *under state or common law*. This is an action asserting federal  
23 law claims. Thus, it does not fall within the definition of a “covered class action” under Section  
24 16(b)-(c) and therefore is not removable to federal court under the Securities Litigation Uniform  
25 Standards Act of 1998.

26 12. The violations of law complained of herein occurred in this County, including the  
27 preparation and dissemination of materially false and misleading statements complained of herein.  
28 Countrywide, and many of its affiliated entities, maintain their principal executive offices in this

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County, and each of the Underwriter Defendants conduct business and/or is headquartered in this County.

**PARTIES**

13. Plaintiff, Washington State Plumbing & Pipefitting Pension Trust, acquired Certificates pursuant and/or traceable to the Prospectuses.

14. Defendant Countrywide Financial Corporation ("CFC" or "Countrywide") is a Delaware corporation with its principal executive offices located at 4500 Park Granada, Calabasas, California. CFC is a holding company which, through its subsidiaries, is engaged in mortgage lending and other real estate finance related businesses, including mortgage banking, banking and mortgage warehouse lending, dealing in securities and insurance underwriting. The Company operates through five business segments: Mortgage Banking, which originates, purchases, sells and services non-commercial mortgage loans nationwide; Banking, which takes deposits and invests in mortgage loans and home equity lines of credit; Capital Markets, which operates an institutional broker-dealer that primarily specializes in trading and underwriting mortgage-backed securities (MBS); Insurance, which offers property, casualty, life and disability insurance as an underwriter and as an insurance agency; and Global Operations, which licenses and supports technology to mortgage lenders in the United Kingdom.

15. Defendant Countrywide Home Loans, Inc. ("CHL") is a direct wholly owned subsidiary of CFC. CHL is engaged in the mortgage banking business, and originates, purchases, sells and services mortgage loans. CHL's principal executive offices are located at 4500 Park Granada, Calabasas, California, the same location as CFC. CHL was a "Seller" and/or "Sponsor" of many of the securitization transactions as detailed herein at ¶ 37, and an originator of the majority of the underlying mortgages supporting the securitization transactions.

16. Defendant CWALT is a Delaware corporation and a limited purpose financing subsidiary of CFC. CWALT's principal executive offices are located at 4500 Park Granada, Calabasas, California, the same location as CFC. CWALT was a "Depositor" in substantially all of the Alternative Loan Trust securitization transactions as detailed herein at ¶ 37, and issued false

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and misleading Prospectuses in connection therewith as discussed in more detail below. CWALT also filed the following Amended Registration Statements with the SEC:

Registration Number	Date Filed	Amount Registered
333-125902	July 25, 2005	\$45,335,287,290
333-131630	March 6, 2006	\$100,271,785,327
333-140962	April 24, 2007	\$103,095,483,061

17. Defendant CWMBS is a Delaware corporation and a limited purpose financing subsidiary of CFC. CWMBS' principal executive offices are located at 4500 Park Granada, Calabasas, California, the same location as CFC. Defendant CWMBS was a "Depositor" in substantially all of the CHL Mortgage Pass-Through Trust securitization transactions as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below. CWMBS also filed the following Amended Registration Statements with the SEC:

Registration Number	Date Filed	Amount Registered
333-125963	July 25, 2005	\$40,742,304,251
333-131662	March 6, 2006	\$60,846,662,430
333-140958	April 24, 2007	\$144,647,113,029

18. Defendant CWABS is a Delaware corporation and a limited purpose financing subsidiary of CFC. CWABS' principal executive offices are located at 4500 Park Granada, Calabasas, California, the same location as CFC. Defendant CWABS was a "Depositor" in substantially all of the CWABS Asset-Backed Certificates Trust securitization transactions as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below. CWABS also filed the following Amended Registration Statements with the SEC:

Registration Number	Date Filed	Amount Registered
333-131591	February 21, 2006	\$34,327,892,523
333-135846	August 8, 2006	\$40,000,000,000

Registration Number	Date Filed	Amount Registered
333-140960	April 24, 2007	\$113,336,555,700

19. Defendant CWHEQ is a Delaware corporation and a limited purpose financing subsidiary of CFC. CWHEQ's principal executive offices are located at 4500 Park Granada, Calabasas, California, the same location as CFC. CWHEQ was a "Depositor" in substantially all of the CWHEQ Home Equity Loan Trust and the CWHEQ Revolving Home Equity Loan Trust securitization transactions as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below. CWHEQ also filed the following Amended Registration Statements with the SEC:

Registration Number	Date Filed	Amount Registered
333-123790	August 4, 2005	\$30,685,000,000
333-132375	April 12, 2006	\$26,572,949,813
333-139891	May 22, 2007	\$31,717,192,508

20. Defendant Countrywide Securities Corporation ("CSC"), an affiliate of CFC, acted as an underwriter for the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant CSC was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below.

21. Defendant J.P. Morgan Securities Inc. ("JP Morgan") acted as an underwriter for the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant JP Morgan was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below.

22. Defendant Deutsche Bank Securities Inc. ("Deutsche Bank") acted as an underwriter for the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant Deutsche Bank was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below.

1           23. Defendant Bear, Stearns & Co. Inc. ("Bear Stearns") acted as an underwriter for the  
2 Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
3 Defendant Bear Stearns was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false  
4 and misleading Prospectuses in connection therewith as discussed in more detail below.

5           24. Defendant Banc of America Securities LLC ("BoA") acted as an underwriter for the  
6 Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
7 Defendant BoA was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and  
8 misleading Prospectuses in connection therewith as discussed in more detail below.

9           25. Defendant UBS Securities, LLC ("UBS") acted as an underwriter for the Issuing  
10 Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant UBS  
11 was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and misleading  
12 Prospectuses in connection therewith as discussed in more detail below.

13           26. Defendant Morgan Stanley & Co. Incorporated ("Morgan Stanley") acted as an  
14 underwriter for the Issuing Trusts, and drafted and disseminated the offering documents for the  
15 Certificates. Defendant Morgan Stanley was an underwriter of the Trusts as detailed herein at ¶ 37,  
16 and issued false and misleading Prospectuses in connection therewith as discussed in more detail  
17 below.

18           27. Defendant Edward D. Jones & Co., L.P. ("Edward Jones") acted as an underwriter  
19 for the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
20 Defendant Edward Jones was an underwriter of the Trusts as detailed herein at ¶ 37, and issued  
21 false and misleading Prospectuses in connection therewith as discussed in more detail below.

22           28. Defendant Citigroup Global Markets Inc. ("Citigroup") acted as an underwriter for  
23 the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
24 Defendant Citigroup was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false  
25 and misleading Prospectuses in connection therewith as discussed in more detail below.

26           29. Defendant Goldman, Sachs & Co. ("Goldman Sachs") acted as an underwriter for  
27 the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
28

1 Defendant Goldman Sachs was an underwriter of the Trusts as detailed herein at ¶ 37, and issued  
2 false and misleading Prospectuses in connection therewith as discussed in more detail below.

3 30. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") acted as an  
4 underwriter for the Issuing Trusts, and drafted and disseminated the offering documents for the  
5 Certificates. Defendant Credit Suisse was an underwriter of the Trusts as detailed herein at ¶ 37,  
6 and issued false and misleading Prospectuses in connection therewith as discussed in more detail  
7 below.

8 31. Defendant Greenwich Capital Markets, Inc. a.k.a. RBS Greenwich Capital ("RBS")  
9 acted as an underwriter for the Issuing Trusts, and drafted and disseminated the offering documents  
10 for the Certificates. Defendant RBS was an underwriter of the Trusts as detailed herein at ¶ 37, and  
11 issued false and misleading Prospectuses in connection therewith as discussed in more detail  
12 below.

13 32. Defendant Lehman Brothers Inc. ("Lehman") acted as an underwriter for the Issuing  
14 Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant  
15 Lehman was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and misleading  
16 Prospectuses in connection therewith as discussed in more detail below.

17 33. Defendant Barclays Capital Inc. ("Barclays") acted as an underwriter for the Issuing  
18 Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant  
19 Barclays was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and  
20 misleading Prospectuses in connection therewith as discussed in more detail below.

21 34. Defendant HSBC Securities (USA) ("HSBC") acted as an underwriter for the  
22 Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
23 Defendant HSBC was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and  
24 misleading Prospectuses in connection therewith as discussed in more detail below.

25 35. Defendant BNP Paribas Securities Corp. ("BNP") acted as an underwriter for the  
26 Issuing Trusts, and drafted and disseminated the offering documents for the Certificates.  
27 Defendant BNP was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and  
28 misleading Prospectuses in connection therewith as discussed in more detail below.

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36. Defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") acted as an underwriter for the Issuing Trusts, and drafted and disseminated the offering documents for the Certificates. Defendant Merrill Lynch was an underwriter of the Trusts as detailed herein at ¶ 37, and issued false and misleading Prospectuses in connection therewith as discussed in more detail below.

37. The Trusts were set up by CWALT, CWMBS, CWABS, and CWHEQ to issue hundreds of billions of dollars worth of Certificates pursuant to the Prospectuses. Collectively, the Trusts are referred to hereinafter as the "Issuing Trusts." The Issuing Trusts are:

Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
Alternative Loan Trust 2005-27	\$1,524,298,100	CWALT	UBS	CHL
Alternative Loan Trust 2005-28CB	\$831,895,756	CWALT	Deutsche Bank/JP Morgan	CHL
Alternative Loan Trust 2005-30CB	\$521,202,999	CWALT	Credit Suisse/CSC	CHL
Alternative Loan Trust 2005-31	\$971,317,100	CWALT	Deutsche Bank	CHL
Alternative Loan Trust 2005-32T1	\$354,959,907	CWALT	Bear Stearns/CSC	CHL
Alternative Loan Trust 2005-33CB	\$539,993,529	CWALT	CSC	CHL
Alternative Loan Trust 2005-34CB	\$416,789,991	CWALT	Deutsche Bank/CSC/Edward Jones	CHL
Alternative Loan Trust 2005-35CB	\$726,658,739	CWALT	CSC/UBS	CHL
Alternative Loan Trust 2005-36	\$769,213,100	CWALT	CSC	CHL
Alternative Loan Trust 2005-37T1	\$344,113,666	CWALT	Morgan Stanley/CSC	CHL
Alternative Loan Trust 2005-38	\$1,817,402,100	CWALT	Deutsche Bank	CHL
Alternative Loan Trust 2005-40CB	\$363,951,745	CWALT	CSC	CHL
Alternative Loan Trust 2005-41	\$773,858,100	CWALT	CSC	CHL
Alternative Loan Trust 2005-42CB	\$415,379,470	CWALT	Citigroup/CSC	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	Alternative Loan Trust 2005-43	\$448,198,100	CWALT	UBS	CHL
3					
4	Alternative Loan Trust 2005-44	\$776,592,100	CWALT	CSC	CHL
5	Alternative Loan Trust 2005-45	\$1,448,824,100	CWALT	CSC	CHL
6					
7	Alternative Loan Trust 2005-46CB	\$1,146,008,499	CWALT	Bear Stearns/JP Morgan	CHL
8	Alternative Loan Trust 2005-47CB	\$414,809,863	CWALT	Morgan Stanley/CSC	CHL
9	Alternative Loan Trust 2005-48T1	\$394,599,999	CWALT	Deutsche Bank/Lehman	CHL
10					
11	Alternative Loan Trust 2005-49CB	\$520,739,090	CWALT	RBS	CHL
12	Alternative Loan Trust 2005-50CB	\$441,768,810	CWALT	CSC/Morgan Stanley	CHL
13	Alternative Loan Trust 2005-51	\$1,771,320,100	CWALT	CSC	CHL
14					
15	Alternative Loan Trust 2005-52CB	\$519,749,910	CWALT	Deutsche Bank/CSC/Edward Jones	CHL
16	Alternative Loan Trust 2005-53T2	\$331,897,280	CWALT	Bear Stearns	CHL
17					
18	Alternative Loan Trust 2005-54CB	\$959,309,669	CWALT	Credit Suisse/CSC	CHL
19					
20	Alternative Loan Trust 2005-55CB	\$621,825,498	CWALT	Bear Stearns/JP Morgan	CHL
21	Alternative Loan Trust 2005-56	\$2,494,019,100	CWALT	Deutsche Bank	CHL
22					
23	Alternative Loan Trust 2005-57CB	\$818,209,269	CWALT	CSC/JP Morgan	CHL
24	Alternative Loan Trust 2005-58	\$774,000,100	CWALT	CSC	CHL
25	Alternative Loan Trust 2005-59	\$2,178,000,100	CWALT	CSC	CHL
26					
27	Alternative Loan Trust 2005-60T1	\$420,247,503	CWALT	Deutsche Bank	CHL
28					

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	Alternative Loan Trust 2005-61	\$765,519,100	CWALT	UBS	CHL
3					
4	Alternative Loan Trust 2005-62	\$1,559,819,100	CWALT	Deutsche Bank	CHL
5					
6	Alternative Loan Trust 2005-63	\$719,536,100	CWALT	UBS	CHL
7					
8	Alternative Loan Trust 2005-64CB	\$839,649,564	CWALT	Bear Stearns/CSC	CHL
9					
10	Alternative Loan Trust 2005-65CB	\$978,645,126	CWALT	Deutsche Bank/JP Morgan	CHL
11					
12	Alternative Loan Trust 2005-67CB	\$209,232,483	CWALT	CSC/Lehman	CHL
13					
14	Alternative Loan Trust 2005-70CB	\$492,524,020	CWALT	Citigroup/RBS	CHL
15					
16	Alternative Loan Trust 2005-71	\$170,139,100	CWALT	Deutsche Bank	CHL
17					
18	Alternative Loan Trust 2005-72	\$737,628,100	CWALT	UBS	CHL
19					
20	Alternative Loan Trust 2005-73CB	\$359,722,468	CWALT	Bear Stearns/RBS	CHL
21					
22	Alternative Loan Trust 2005-74T1	\$365,544,950	CWALT	UBS/Morgan Stanley	CHL
23					
24	Alternative Loan Trust 2005-75CB	\$414,233,182	CWALT	CSC/Morgan Stanley	CHL
25					
26	Alternative Loan Trust 2005-76	\$1,776,305,100	CWALT	Deutsche Bank	CHL
27					
28	Alternative Loan Trust 2005-77T1	\$1,050,079,829	CWALT	Bear Stearns/Lehman	CHL
	Alternative Loan Trust 2005-79CB	\$321,387,756	CWALT	Citigroup/Morgan Stanley	CHL
	Alternative Loan Trust 2005-80CB	\$1,256,585,157	CWALT	RBS/CSC	CHL

1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	Alternative Loan Trust 2005-81	\$926,958,100	CWALT	Goldman Sachs	CHL
3	Alternative Loan Trust 2005-82	\$333,593,100	CWALT	CSC	CHL
4	Alternative Loan Trust 2005-83CB	\$364,032,468	CWALT	CSC	CHL
5	Alternative Loan Trust 2005-84	\$941,530,100	CWALT	Deutsche Bank	CHL
6	Alternative Loan Trust 2005-86CB	\$989,999,224	CWALT	Morgan Stanley/CSC	CHL
7	Alternative Loan Trust 2005-AR1	\$768,170,100	CWALT	CSC	CHL
8	Alternative Loan Trust 2005-IM1	\$374,969,100	CWALT	CSC	CHL
9	Alternative Loan Trust 2005-J10	\$507,732,857	CWALT	CSC	CHL
10	Alternative Loan Trust 2005-J11	\$596,668,088	CWALT	CSC	CHL
11	Alternative Loan Trust 2005-J12	\$604,102,100	CWALT	CSC	CHL
12	Alternative Loan Trust 2005-J13	\$248,054,797	CWALT	CSC	CHL
13	Alternative Loan Trust 2005-J14	\$504,455,633	CWALT	CSC	CHL
14	Alternative Loan Trust 2005-J7	\$232,508,165	CWALT	CSC	CHL
15	Alternative Loan Trust 2005-J8	\$194,930,382	CWALT	CSC	CHL
16	Alternative Loan Trust 2005-J9	\$262,193,019	CWALT	CSC	CHL
17	Alternative Loan Trust 2006-11CB	\$763,457,959	CWALT	RBS/CSC	CHL
18	Alternative Loan Trust 2006-12CB	\$624,731,141	CWALT	UBS/JP Morgan	CHL
19	Alternative Loan Trust 2006-13T1	\$493,728,887	CWALT	BoA/Deutsche Bank	CHL
20	Alternative Loan Trust 2006-14CB	\$519,223,126	CWALT	Deutsche Bank/JPMorgan	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
Alternative Loan Trust 2006-15CB	\$366,789,456	CWALT	RBS/Lehman	CHL
Alternative Loan Trust 2006-16CB	\$311,691,556	CWALT	Bear Stearns/CSC	CHL
Alternative Loan Trust 2006-17T1	\$474,959,606	CWALT	Credit Suisse/BoA	CHL
Alternative Loan Trust 2006-18CB	\$1,040,024,215	CWALT	Deutsche Bank/CSC	CHL
Alternative Loan Trust 2006-19CB	\$1,558,637,921	CWALT	Deutsche Bank/CSC	CHL
Alternative Loan Trust 2006-20CB	\$551,732,773	CWALT	Morgan Stanley/CSC	CHL
Alternative Loan Trust 2006-21CB	\$520,536,856	CWALT	Citigroup/BoA	CHL
Alternative Loan Trust 2006-23CB	\$987,020,570	CWALT	UBS/CSC	CHL
Alternative Loan Trust 2006-24CB	\$880,451,378	CWALT	Bear Stearns/Morgan Stanley	CHL
Alternative Loan Trust 2006-25CB	\$518,814,998	CWALT	Deutsche Bank/CSC	CHL
Alternative Loan Trust 2006-26CB	\$395,599,061	CWALT	BoA	CHL
Alternative Loan Trust 2006-27CB	\$310,200,987	CWALT	Morgan Stanley/CSC	CHL
Alternative Loan Trust 2006-28CB	\$518,233,936	CWALT	Citigroup/Morgan Stanley	CHL
Alternative Loan Trust 2006-29T1	\$785,759,998	CWALT	Barclays/BoA	CHL
Alternative Loan Trust 2006-2CB	\$876,481,015	CWALT	CSC	CHL
Alternative Loan Trust 2006-30T1	\$469,299,928	CWALT	RBS/CSC	CHL
Alternative Loan Trust 2006-31CB	\$865,696,096	CWALT	Deutsche Bank/Merrill Lynch	CHL
Alternative Loan Trust 2006-32CB	\$619,686,154	CWALT	Morgan Stanley	CHL
Alternative Loan Trust 2006-33CB	\$619,062,482	CWALT	Citigroup/CSC	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	Alternative Loan Trust 2006-34	\$200,553,202	CWALT	CSC	CHL
3	Alternative Loan Trust 2006-35CB	\$619,050,252	CWALT	Citigroup/Morgan Stanley	CHL
4	Alternative Loan Trust 2006-36T2	\$734,911,293	CWALT	Bear Stearns/CSC	CHL
5	Alternative Loan Trust 2006-37R	\$68,315,933	CWALT	UBS	UBS
6	Alternative Loan Trust 2006-39CB	\$808,983,132	CWALT	Deutsche Bank/BoA	CHL
7	Alternative Loan Trust 2006-40T1	\$592,478,599	CWALT	HSBC/CSC	CHL
8	Alternative Loan Trust 2006-41CB	\$1,135,112,855	CWALT	Credit Suisse/CSC	CHL
9	Alternative Loan Trust 2006-42	\$246,986,001	CWALT	Barclays/CSC	CHL
10	Alternative Loan Trust 2006-43CB	\$874,833,833	CWALT	UBS/CSC/Deutsche Bank	CHL
11	Alternative Loan Trust 2006-45T1	\$1,113,036,850	CWALT	Morgan Stanley/BoA	CHL
12	Alternative Loan Trust 2006-46	\$296,399,437	CWALT	Barclays/Lehman	CHL
13	Alternative Loan Trust 2006-4CB	\$683,680,636	CWALT	UBS/RBS	CHL
14	Alternative Loan Trust 2006-5T2	\$370,765,076	CWALT	CSC/BoA	CHL
15	Alternative Loan Trust 2006-69	\$500,429,100	CWALT	Deutsche Bank	CHL
16	Alternative Loan Trust 2006-6CB	\$2,164,334,096	CWALT	CSC/Deutsche Bank	CHL
17	Alternative Loan Trust 2006-7CB	\$548,064,958	CWALT	Credit Suisse/JP Morgan	CHL
18	Alternative Loan Trust 2006-8T1	\$355,528,517	CWMBS	CSC/BoA	CHL
19	Alternative Loan Trust 2006-9T1	\$522,122,602	CWALT	Bear Stearns/Credit Suisse	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	Alternative Loan Trust 2006-HY10	\$529,427,100	CWALT	Deutsche Bank	CHL
3					
4	Alternative Loan Trust 2006-HY11	\$445,727,100	CWALT	Deutsche Bank	CHL
5	Alternative Loan Trust 2006-HY12	\$791,111,100	CWALT	Deutsche Bank	CHL
6	Alternative Loan Trust 2006-HY13	\$883,972,100	CWALT	UBS	CHL
7					
8	Alternative Loan Trust 2006-HY3	\$249,703,100	CWALT	Deutsche Bank	CHL
9	Alternative Loan Trust 2006-J1	\$781,555,047	CWALT	CSC	CHL
10	Alternative Loan Trust 2006-J2	\$245,087,019	CWALT	CSC	CHL
11					
12	Alternative Loan Trust 2006-J3	\$253,461,322	CWALT	CSC	CHL
13	Alternative Loan Trust 2006-J4	\$428,134,055	CWALT	CSC	CHL
14					
15	Alternative Loan Trust 2006-J5	\$421,364,240	CWALT	CSC	CHL
16	Alternative Loan Trust 2006-J6	\$185,251,552	CWALT	CSC	CHL
17	Alternative Loan Trust 2006-J7	\$347,393,561	CWALT	CSC	CHL
18					
19	Alternative Loan Trust 2006-J8	\$462,029,521	CWALT	CSC	CHL
20	Alternative Loan Trust 2006-OA1	\$1,038,779,100	CWMBS	CSC	CHL
21	Alternative Loan Trust 2006-OA10	\$2,768,599,100	CWALT	UBS	CHL
22					
23	Alternative Loan Trust 2006-OA11	\$1,237,208,100	CWALT	CSC	CHL
24	Alternative Loan Trust 2006-OA12	\$984,619,100	CWALT	CSC	CHL
25					
26	Alternative Loan Trust 2006-OA14	\$949,619,100	CWALT	BoA	CHL
27	Alternative Loan Trust 2006-OA16	\$1,336,380,100	CWALT	CSC	CHL
28					

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
Alternative Loan Trust 2006-OA17	\$1,560,610,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA18	\$498,492,256	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA19	\$1,199,267,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA2	\$1,697,910,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA21	\$1,292,642,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA22	\$380,943,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA3	\$753,195,100	CWALT	UBS	CHL
Alternative Loan Trust 2006-OA6	\$1,034,375,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OA7	\$1,177,528,100	CWALT	UBS	CHL
Alternative Loan Trust 2006-OA8	\$606,092,100	CWALT	UBS	CHL
Alternative Loan Trust 2006-OA9	\$928,908,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC1	\$1,196,264,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC10	\$805,404,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC11	\$1,089,000,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC2	\$833,712,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC3	\$671,248,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC4	\$569,225,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC5	\$789,079,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC6	\$625,543,100	CWALT	CSC	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
Alternative Loan Trust 2006-OC7	\$582,249,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC8	\$1,693,916,100	CWALT	CSC	CHL
Alternative Loan Trust 2006-OC9	\$546,528,100	CWALT	CSC	CHL
Alternative Loan Trust 2007-10CB	\$742,499,999	CWALT	JP Morgan	CHL
Alternative Loan Trust 2007-11T1	\$587,626,182	CWALT	HSBC/UBS	CHL
Alternative Loan Trust 2007-12T1	\$855,728,140	CWALT	CSC	CHL
Alternative Loan Trust 2007-13	\$207,556,676	CWALT	Deutsche Bank/CSC	CHL
Alternative Loan Trust 2007-14T2	\$409,317,845	CWALT	Credit Suisse/CSC	CHL
Alternative Loan Trust 2007-15CB	\$669,615,650	CWALT	Credit Suisse/CSC	CHL
Alternative Loan Trust 2007-16CB	\$1,615,596,399	CWALT	Deutsche Bank/BoA	CHL
Alternative Loan Trust 2007-17CB	\$745,477,658	CWALT	Morgan Stanley/Credit Suisse	CHL
Alternative Loan Trust 2007-18CB	\$719,917,790	CWALT	Credit Suisse/CSC	CHL
Alternative Loan Trust 2007-19	\$1,166,488,020	CWALT	Credit Suisse/Deutsche Bank	CHL
Alternative Loan Trust 2007-1T1	\$493,712,524	CWALT	CSC	CHL
Alternative Loan Trust 2007-20	\$296,399,844	CWALT	RBS/UBS	CHL
Alternative Loan Trust 2007-21CB	\$769,186,604	CWALT	Deutsche Bank	CHL
Alternative Loan Trust 2007-22	\$791,348,018	CWALT	UBS	CHL
Alternative Loan Trust 2007-23CB	\$1,030,214,330	CWALT	Bear Stearns	CHL
Alternative Loan Trust 2007-24	\$537,168,947	CWALT	UBS	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	Alternative Loan Trust 2007-25	\$660,495,859	CWALT	CSC	CHL
3	Alternative Loan Trust 2007-2CB	\$1,018,739,168	CWALT	Deutsche Bank/CSC	CHL
4	Alternative Loan Trust 2007-3T1	\$792,149,705	CWALT	UBS/CSC/Morgan Stanley	CHL
5	Alternative Loan Trust 2007-4CB	\$579,145,196	CWALT	CSC	CHL
6	Alternative Loan Trust 2007-5CB	\$1,559,847,536	CWALT	Citigroup/CSC	CHL
7	Alternative Loan Trust 2007-6	\$366,513,427	CWALT	Citigroup/CSC	CHL
8	Alternative Loan Trust 2007-7T2	\$365,759,889	CWALT	HSBC/Lehman	CHL
9	Alternative Loan Trust 2007-8CB	\$744,971,687	CWALT	Deutsche Bank	CHL
10	Alternative Loan Trust 2007-9T1	\$837,346,400	CWALT	CSC/Deutsche Bank/BoA	CHL
11	Alternative Loan Trust 2007-AL1	\$228,622,100	CWALT	CSC	CHL
12	Alternative Loan Trust 2007-HY2	\$508,705,100	CWALT	CSC	CHL
13	Alternative Loan Trust 2007-HY3	\$989,260,100	CWALT	Deutsche Bank	CHL
14	Alternative Loan Trust 2007-HY4	\$1,432,682,100	CWALT	Bear Stearns	CHL
15	Alternative Loan Trust 2007-HY5R	\$553,116,614	CWALT	Deutsche Bank	Deutsche Bank
16	Alternative Loan Trust 2007-HY6	\$869,708,100	CWALT	BoA	CHL
17	Alternative Loan Trust 2007-HY7C	\$1,022,825,100	CWALT	Deutsche Bank	CHL
18	Alternative Loan Trust 2007-HY8C	\$453,460,100	CWALT	Deutsche Bank	CHL
19	Alternative Loan Trust 2007-HY9	\$34,861,100	CWALT	Deutsche Bank	CHL
20	Alternative Loan Trust 2007-J1	\$583,156,580	CWALT	CSC	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
Alternative Loan Trust 2007-J2	\$267,858,014	CWALT	CSC	CHL
Alternative Loan Trust 2007-OA10	\$549,502,100	CWALT	BoA	CHL
Alternative Loan Trust 2007-OA11	\$495,597,100	CWALT	CSC	CHL
Alternative Loan Trust 2007-OA2	\$666,176,100	CWALT	UBS	CHL
Alternative Loan Trust 2007-OA3	\$1,137,053,100	CWALT	BoA	CHL
Alternative Loan Trust 2007-OA4	\$717,258,300	CWALT	Goldman Sachs	CHL
Alternative Loan Trust 2007-OA6	\$561,485,100	CWALT	Credit Suisse	CHL
Alternative Loan Trust 2007-OA7	\$771,733,100	CWALT	CSC	CHL
Alternative Loan Trust 2007-OA8	\$666,706,100	CWALT	BoA	CHL
Alternative Loan Trust 2007-OA9	\$391,151,100	CWALT	CSC	CHL
Alternative Loan Trust 2007-OH1	\$495,113,100	CWALT	CSC	CHL
Alternative Loan Trust 2007-OH2	\$984,602,100	CWALT	CSC	CHL
Alternative Loan Trust 2007-OH3	\$579,826,100	CWALT	CSC	CHL
Alternative Loan Trust Resecuritization 2006-22R	\$416,626,008	CWALT	RBS	RBS
Alternative Loan Trust Resecuritization 2007-26R	\$41,798,027	CWALT	Deutsche Bank	Deutsche Bank
Alternative Loan Trust-2005-85CB	\$1,257,944,756	CWALT	Deutsche Bank/Lehman/JP Morgan	CHL
CHL Mortgage Pass-Through Trust 2005-15	\$412,924,044	CWMBS	Morgan Stanley/CSC/Edward Jones	CHL

1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CHL Mortgage Pass-Through Trust				
3	2005-16	\$412,924,740	CWMBS	Goldman Sachs/Lehman	CHL
4	CHL Mortgage Pass-Through Trust				
5	2005-17	\$629,201,708	CWMBS	UBS/CSC	CHL
6	CHL Mortgage Pass-Through Trust				
7	2005-18	\$413,919,844	CWMBS	Goldman Sachs/CSC	CHL
8	CHL Mortgage Pass-Through Trust				
9	2005-19	\$398,521,241	CWMBS	Bear Stearns	CHL
10	CHL Mortgage Pass-Through Trust				
11	2005-20	\$413,919,460	CWMBS	UBS/CSC	CHL
12	CHL Mortgage Pass-Through Trust				
13	2005-21	\$983,059,554	CWMBS	RBS/UBS	CHL
14	CHL Mortgage Pass-Through Trust				
15	2005-22	\$588,995,100	CWMBS	UBS	CHL
16	CHL Mortgage Pass-Through Trust				
17	2005-23	\$313,630,166	CWMBS	Citigroup/CSC	CHL
18	CHL Mortgage Pass-Through Trust				
19	2005-24	\$1,036,789,285	CWMBS	Goldman Sachs/CSC/Edward Jones	CHL
20	CHL Mortgage Pass-Through Trust				
21	2005-25	\$363,174,579	CWMBS	UBS/CSC	CHL
22	CHL Mortgage Pass-Through Trust				
23	2005-26	\$497,507,486	CWMBS	Bear Stearns	CHL
24	CHL Mortgage Pass-Through Trust				
25	2005-27	\$518,394,257	CWMBS	Credit Suisse/CSC	CHL
26	CHL Mortgage Pass-Through Trust				
27	2005-28	\$414,914,141	CWMBS	UBS/CSC	CHL
28	CHL Mortgage Pass-Through Trust				
	2005-29	\$295,924,912	CWMBS	CSC/BoA	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
CHL Mortgage Pass-Through Trust 2005-30	\$514,555,415	CWMBS	UBS/CSC	CHL
CHL Mortgage Pass-Through Trust 2005-31	\$620,690,100	CWMBS	Goldman Sachs	CHL
CHL Mortgage Pass-Through Trust 2005-HYB10	\$1,010,798,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-HYB4	\$791,873,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-HYB5	\$791,278,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-HYB6	\$991,562,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-HYB7	\$1,017,720,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-HYB8	\$593,432,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-J2	\$806,148,679	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-J3	\$381,311,999	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2005-J4	\$200,059,714	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-1	\$373,367,486	CWMBS	Lehman/RBS	CHL
CHL Mortgage Pass-Through Trust 2006-10	\$600,481,743	CWMBS	Bear Stearns/BoA	CHL
CHL Mortgage Pass-Through Trust 2006-11	\$626,849,839	CWMBS	Credit Suisse/CSC	CHL
CHL Mortgage Pass-Through Trust 2006-12	\$652,719,878	CWMBS	CSC	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
CHL Mortgage Pass-Through Trust 2006-13	\$519,389,436	CWMBS	Credit Suisse/Morgan Stanley	CHL
CHL Mortgage Pass-Through Trust 2006-14	\$366,159,454	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-15	\$397,004,000	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-16	\$994,995,037	CWMBS	Goldman Sachs/BoA	CHL
CHL Mortgage Pass-Through Trust 2006-17	\$518,379,893	CWMBS	HSBC/Lehman	CHL
CHL Mortgage Pass-Through Trust 2006-18	\$517,384,203	CWMBS	Credit Suisse/CSC	CHL
CHL Mortgage Pass-Through Trust 2006-19	\$1,241,757,925	CWMBS	Credit Suisse/CSC	CHL
CHL Mortgage Pass-Through Trust 2006-20	\$1,035,793,979	CWMBS	Credit Suisse	CHL
CHL Mortgage Pass-Through Trust 2006-21	\$1,016,881,735	CWMBS	Bear Stearns/CSC	CHL
CHL Mortgage Pass-Through Trust 2006-3	\$1,052,797,100	CWMBS	UBS	CHL
CHL Mortgage Pass-Through Trust 2006-6	\$481,822,327	CWMBS	RBS/CSC	CHL
CHL Mortgage Pass-Through Trust 2006-8	\$778,089,936	CWMBS	Credit Suisse/BoA	CHL
CHL Mortgage Pass-Through Trust 2006-9	\$415,909,999	CWMBS	Barclays/CSC	CHL
CHL Mortgage Pass-Through Trust 2006-HYB1	\$1,154,098,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-HYB2	\$653,891,100	CWMBS	CSC	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
CHL Mortgage Pass-Through Trust 2006-HYB3	\$966,897,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-HYB4	\$443,360,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-HYB5	\$526,000,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-J1	\$406,869,042	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-J2	\$174,124,645	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-J3	\$216,167,679	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-J4	\$371,980,842	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2006-OA4	\$774,076,100	CWMBS	Deutsche Bank	CHL
CHL Mortgage Pass-Through Trust 2006-OA5	\$1,364,317,100	CWMBS	UBS	CHL
CHL Mortgage Pass-Through Trust 2006-TM1	\$902,091,850	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-1	\$746,249,967	CWMBS	Goldman Sachs/CSC	CHL
CHL Mortgage Pass-Through Trust 2007-10	\$646,730,067	CWMBS	UBS/Lehman	CHL
CHL Mortgage Pass-Through Trust 2007-11	\$994,999,544	CWMBS	BNP/CSC/Lehman	CHL
CHL Mortgage Pass-Through Trust 2007-12	\$414,914,963	CWMBS	UBS/CSC	CHL
CHL Mortgage Pass-Through Trust 2007-13	\$572,087,807	CWMBS	Bear Stearns/CSC	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CHL Mortgage Pass-Through Trust				
3	2007-14	\$746,249,918	CWMBS	BoA/Lehman	CHL
4	CHL Mortgage Pass-Through Trust				
5	2007-15	\$1,031,170,625	CWMBS	RBS/CSC/Lehman	CHL
6	CHL Mortgage Pass-Through Trust				
7	2007-16	\$770,783,999	CWMBS	HSBC	CHL
8	CHL Mortgage Pass-Through Trust				
9	2007-17	\$872,433,848	CWMBS	CSC	CHL
10	CHL Mortgage Pass-Through Trust				
11	2007-18	\$410,362,919	CWMBS	CSC	CHL
12	CHL Mortgage Pass-Through Trust				
13	2007-19	\$441,172,477	CWMBS	CSC	CHL
14	CHL Mortgage Pass-Through Trust				
15	2007-2	\$362,933,532	CWMBS	CSC	CHL
16	CHL Mortgage Pass-Through Trust				
17	2007-20	\$297,592,472	CWMBS	CSC	CHL
18	CHL Mortgage Pass-Through Trust				
19	2007-21	\$778,228,036	CWMBS	CSC	CHL
20	CHL Mortgage Pass-Through Trust				
21	2007-3	\$1,141,241,764	CWMBS	BNP/CSC	CHL
22	CHL Mortgage Pass-Through Trust				
23	2007-4	\$1,058,011,000	CWMBS	CSC	CHL
24	CHL Mortgage Pass-Through Trust				
25	2007-5	\$845,749,614	CWMBS	CSC	CHL
26	CHL Mortgage Pass-Through Trust				
27	2007-6	\$746,250,000	CWMBS	JP Morgan/CSC	CHL
28	CHL Mortgage Pass-Through Trust				
	2007-7	\$746,236,970	CWMBS	RBS/CSC	CHL
	CHL Mortgage Pass-Through Trust				
	2007-8	\$855,000,000	CWMBS	CSC	CHL
	CHL Mortgage Pass-Through Trust				
	2007-9	\$696,499,987	CWMBS	Goldman Sachs/UBS	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
CHL Mortgage Pass-Through Trust 2007-HY1	\$394,190,100	CWMBS	UBS	CHL
CHL Mortgage Pass-Through Trust 2007-HY3	\$579,898,100	CWMBS	UBS	CHL
CHL Mortgage Pass-Through Trust 2007-HY4	\$613,573,100	CWMBS	UBS	CHL
CHL Mortgage Pass-Through Trust 2007-HY5	\$360,740,100	CWMBS	Deutsche Bank	CHL
CHL Mortgage Pass-Through Trust 2007-HY6	\$1,201,511,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-HY7	\$551,019,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-HYB1	\$623,894,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-HYB2	\$620,703,100	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-J1	\$309,676,683	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-J2	\$411,278,672	CWMBS	CSC	CHL
CHL Mortgage Pass-Through Trust 2007-J3	\$223,874,843	CWMBS	CSC	CHL
CWABS Asset-Backed Certificate Trust 2006-ABC1	\$396,600,100	CWABS	CSC	CHL
CWABS Asset-Backed Certificates Trust 2005-10	\$695,001,100	CWABS	CSC/Deutsche Bank/JP Morgan	CHL
CWABS Asset-Backed Certificates Trust 2005-11	\$1,929,704,100	CWABS	CSC/Morgan Stanley/RBS	CHL

1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWABS Asset-Backed Certificates Trust 2005-12	\$876,150,100	CWABS	CSC/Deutsche Bank/RBS	CHL
3					
4	CWABS Asset-Backed Certificates Trust 2005-13	\$1,950,700,100	CWABS	CSC/BoA/Barclays	CHL
5					
6	CWABS Asset-Backed Certificates Trust 2005-14	\$2,032,800,100	CWABS	CSC/Bear Stearns/RBS	CHL
7					
8	CWABS Asset-Backed Certificates Trust 2005-15	\$362,200,100	CWABS	CSC/RBS	CHL
9					
10	CWABS Asset-Backed Certificates Trust 2005-16	\$2,209,500,100	CWABS	CSC/RBS	CHL
11					
12	CWABS Asset-Backed Certificates Trust 2005-17	\$2,520,700,100	CWABS	CSC/BNP/RBS	CHL
13					
14	CWABS Asset-Backed Certificates Trust 2005-4	\$2,826,900,100	CWABS	CSC/Bear Stearns/Merrill Lynch	CHL
15					
16	CWABS Asset-Backed Certificates Trust 2005-5	\$788,400,100	CWABS	CSC/BoA/Bear Stearns	CHL
17					
18	CWABS Asset-Backed Certificates Trust 2005-6	\$1,694,050,100	CWABS	CSC/Bear Stearns/JP Morgan	CHL
19					
20	CWABS Asset-Backed Certificates Trust 2005-7	\$2,138,899,100	CWABS	CSC/Bear Stearns/RBS	CHL
21					
22	CWABS Asset-Backed Certificates Trust 2005-8	\$621,372,100	CWABS	CSC/Lehman	CHL
23					
24	CWABS Asset-Backed Certificates Trust 2005-9	\$1,281,150,100	CWABS	CSC/RBS/Merrill Lynch	CHL
25					
26	CWABS Asset-Backed Certificates Trust 2005-AB2	\$1,000,000,100	CWABS	CSC/Bear Stearns/Credit Suisse	CHL
27					
28	CWABS Asset-Backed Certificates Trust 2005-AB3	\$631,475,100	CWABS	CSC/Barclays/BoA	CHL

Exhibit C

1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWABS Asset-Backed Certificates Trust 2005-AB4	\$1,592,000,100	CWABS	CSC/Deutsche Bank/JP Morgan	CHL
4	CWABS Asset-Backed Certificates Trust 2005-AB5	\$695,800,100	CWABS	CSC/RBS	CHL
6	CWABS Asset-Backed Certificates Trust 2005-BC3	\$800,000,100	CWABS	CSC	CHL
8	CWABS Asset-Backed Certificates Trust 2005-BC4	\$755,338,100	CWABS	CSC	CHL
10	CWABS Asset-Backed Certificates Trust 2005-BC5	\$921,500,100	CWABS	CSC/RBS	CHL
12	CWABS Asset-Backed Certificates Trust 2005-HYB9	\$1,088,954,000	CWABS	CSC	CHL
14	CWABS Asset-Backed Certificates Trust 2005-IM1	\$897,285,100	CWABS	CSC	CHL
16	CWABS Asset-Backed Certificates Trust 2005-IM2	\$715,077,100	CWABS	CSC	CHL
18	CWABS Asset-Backed Certificates Trust 2005-IM3	\$1,094,500,100	CWABS	CSC	CHL
20	CWABS Asset-Backed Certificates Trust 2006-1	\$756,643,100	CWABS	CSC/Lehman	CHL
22	CWABS Asset-Backed Certificates Trust 2006-10	\$585,515,100	CWABS	CSC	CHL
24	CWABS Asset-Backed Certificates Trust 2006-11	\$1,846,600,100	CWABS	CSC/Barclays/UBS	CHL
26	CWABS Asset-Backed Certificates Trust 2006-12	\$1,272,700,100	CWABS	CSC/BNP/Lehman	CHL
28	CWABS Asset-Backed Certificates Trust 2006-13	\$1,602,525,100	CWABS	CSC/Bear Stearns/Lehman	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWABS Asset-Backed Certificates				
3	Trust 2006-14	\$1,453,500,100	CWABS	CSC/Deutsche Bank/HSBC	CHL
4	CWABS Asset-Backed Certificates				
5	Trust 2006-15	\$937,000,100	CWABS	CSC	CHL
6	CWABS Asset-Backed Certificates				
7	Trust 2006-16	\$486,500,100	CWABS	CSC	CHL
8	CWABS Asset-Backed Certificates				
9	Trust 2006-17	\$972,000,100	CWABS	CSC/Deutsche Bank/Lehman	CHL
10	CWABS Asset-Backed Certificates				
11	Trust 2006-18	\$1,653,250,100	CWABS	CSC/Bear Stearns/Deutsche Bank	CHL
12	CWABS Asset-Backed Certificates				
13	Trust 2006-19	\$869,850,100	CWABS	CSC/Bear Stearns	CHL
14	CWABS Asset-Backed Certificates				
15	Trust 2006-2	\$801,975,100	CWABS	CSC/BoA/JP Morgan	CHL
16	CWABS Asset-Backed Certificates				
17	Trust 2006-20	\$976,000,100	CWABS	CSC/Bear Stearns/HSBC	CHL
18	CWABS Asset-Backed Certificates				
19	Trust 2006-21	\$1,069,750,100	CWABS	CSC/JP Morgan/RBS	CHL
20	CWABS Asset-Backed Certificates				
21	Trust 2006-22	\$1,556,000,100	CWABS	CSC/Barclays/RBS	CHL
22	CWABS Asset-Backed Certificates				
23	Trust 2006-23	\$1,553,600,100	CWABS	CSC/JP Morgan/RBS	CHL
24	CWABS Asset-Backed Certificates				
25	Trust 2006-24	\$1,305,024,100	CWABS	CSC/RBS	CHL
26	CWABS Asset-Backed Certificates				
27	Trust 2006-25	\$1,507,375,100	CWABS	CSC/RBS	CHL
28	CWABS Asset-Backed Certificates				
	Trust 2006-26	\$1,167,600,100	CWABS	CSC/RBS	CHL

Exhibit C

1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWABS Asset-Backed Certificates Trust 2006-3	\$1,361,500,100	CWABS	CSC/Barclays/Deutsche Bank	CHL
3					
4	CWABS Asset-Backed Certificates Trust 2006-4	\$606,775,100	CWABS	CSC/JP Morgan/Lehman	CHL
5					
6	CWABS Asset-Backed Certificates Trust 2006-5	\$672,135,100	CWABS	CSC/Bear Stearns/Lehman	CHL
7					
8	CWABS Asset-Backed Certificates Trust 2006-6	\$1,762,200,100	CWABS	CSC	CHL
9					
10	CWABS Asset-Backed Certificates Trust 2006-7	\$1,017,378,100	CWABS	CSC	CHL
11					
12	CWABS Asset-Backed Certificates Trust 2006-8	\$1,946,000,100	CWABS	CSC	CHL
13					
14	CWABS Asset-Backed Certificates Trust 2006-9	\$563,832,100	CWABS	CSC	CHL
15					
16	CWABS Asset-Backed Certificates Trust 2006-BC1	\$506,885,100	CWABS	CSC	CHL
17					
18	CWABS Asset-Backed Certificates Trust 2006-BC2	\$629,525,100	CWABS	CSC	CHL
19					
20	CWABS Asset-Backed Certificates Trust 2006-BC3	\$579,300,100	CWABS	CSC	CHL
21					
22	CWABS Asset-Backed Certificates Trust 2006-BC4	\$579,000,100	CWABS	CSC	CHL
23					
24	CWABS Asset-Backed Certificates Trust 2006-BC5	\$729,003,100	CWABS	CSC	CHL
25					
26	CWABS Asset-Backed Certificates Trust 2006-IM1	\$697,200,100	CWABS	CSC	CHL
27					
28	CWABS Asset-Backed Certificates Trust 2006-SPS1	\$230,875,100	CWABS	Credit Suisse/Deutsche Bank	CHL

Exhibit C



1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWABS Asset-Backed Certificates Trust 2006-SPS2	\$456,500,100	CWABS	CSC/Credit Suisse/Merrill Lynch	CHL
4	CWABS Asset-Backed Certificates Trust 2007-1	\$1,942,000,100	CWABS	CSC	CHL
6	CWABS Asset-Backed Certificates Trust 2007-10	\$973,500,100	CWABS	CSC/Barclays/Deutsche Bank	CHL
8	CWABS Asset-Backed Certificates Trust 2007-11	\$780,400,100	CWABS	CSC/HSBC/Merrill Lynch	CHL
10	CWABS Asset-Backed Certificates Trust 2007-12	\$2,800,000	CWABS	CSC	CHL
12	CWABS Asset-Backed Certificates Trust 2007-13	\$735,600,100	CWABS	CSC	CHL
14	CWABS Asset-Backed Certificates Trust 2007-2	\$1,513,980,100	CWABS	CSC/RBS	CHL
16	CWABS Asset-Backed Certificates Trust 2007-3	\$735,711,100	CWABS	CSC/RBS	CHL
18	CWABS Asset-Backed Certificates Trust 2007-4	\$959,500,100	CWABS	CSC/RBS	CHL
20	CWABS Asset-Backed Certificates Trust 2007-5	\$1,150,000,100	CWABS	CSC/RBS	CHL
22	CWABS Asset-Backed Certificates Trust 2007-6	\$966,000,100	CWABS	CSC/RBS	CHL
24	CWABS Asset-Backed Certificates Trust 2007-7	\$1,070,850,100	CWABS	CSC/RBS	CHL
26	CWABS Asset-Backed Certificates Trust 2007-8	\$1,264,900,100	CWABS	CSC/Lehman/RBS	CHL
28	CWABS Asset-Backed Certificates Trust 2007-9	\$1,171,200,100	CWABS	CSC/Lehman/RBS	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWABS Asset-Backed Certificates Trust 2007-BC1	\$467,750,100	CWABS	CSC	CHL
3					
4	CWABS Asset-Backed Certificates Trust 2007-BC2	\$615,875,100	CWABS	CSC	CHL
5					
6	CWABS Asset-Backed Certificates Trust 2007-BC3	\$551,418,100	CWABS	CSC	CHL
7					
8	CWHEQ Home Equity Loan Trust, Series 2006-S1	\$860,000,100	CWHEQ	CSC/Bear Stearns/Lehman	CHL
9					
10	CWHEQ Home Equity Loan Trust, Series 2006-S10	\$1,597,600,100	CWHEQ	CSC/RBS	CHL
11					
12	CWHEQ Home Equity Loan Trust, Series 2006-S2	\$1,050,000,100	CWHEQ	CSC/BNP/JP Morgan	CHL
13					
14	CWHEQ Home Equity Loan Trust, Series 2006-S3	\$1,000,000,100	CWHEQ	CSC/Goldman Sachs/HSBC	CHL
15					
16	CWHEQ Home Equity Loan Trust, Series 2006-S4	\$1,000,000,100	CWHEQ	CSC/Bear Stearns/Credit Suisse	CHL
17					
18	CWHEQ Home Equity Loan Trust, Series 2006-S5	\$900,000,100	CWHEQ	CSC/Bear Stearns/BNP	CHL
19					
20	CWHEQ Home Equity Loan Trust, Series 2006-S6	\$1,100,000,100	CWHEQ	CSC/Bear Stearns	CHL
21					
22	CWHEQ Home Equity Loan Trust, Series 2006-S7	\$994,500,100	CWHEQ	CSC/Merrill Lynch/RBS	CHL
23					
24	CWHEQ Home Equity Loan Trust, Series 2006-S8	\$1,000,000,100	CWHEQ	CSC/RBS	CHL
25					
26	CWHEQ Home Equity Loan Trust, Series 2006-S9	\$1,000,000,100	CWHEQ	CSC/RBS	CHL
27					
28	CWHEQ Home Equity Loan Trust, Series 2007-S1	\$1,600,000,100	CWHEQ	CSC/RBS	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWHEQ Home Equity Loan Trust, Series 2007-S2	\$999,000,100	CWHEQ	CSC/RBS	CHL
3					
4	CWHEQ Home Equity Loan Trust, Series 2007-S3	\$700,000,100	CWHEQ	CSC/RBS	CHL
5					
6	CWHEQ Revolving Home Equity Loan Trust, Series 2005-C	\$1,015,000,000	CWHEQ	CSC	CHL
7					
8	CWHEQ Revolving Home Equity Loan Trust, Series 2005-D	\$2,000,000,000	CWHEQ	CSC	CHL
9					
10	CWHEQ Revolving Home Equity Loan Trust, Series 2005-E	\$2,000,000,000	CWHEQ	CSC	CHL
11					
12	CWHEQ Revolving Home Equity Loan Trust, Series 2005-F	\$2,706,750,000	CWHEQ	CSC	CHL
13					
14	CWHEQ Revolving Home Equity Loan Trust, Series 2005-G	\$1,771,875,000	CWHEQ	CSC	CHL
15					
16	CWHEQ Revolving Home Equity Loan Trust, Series 2005-H	\$1,771,875,000	CWHEQ	CSC	CHL
17					
18	CWHEQ Revolving Home Equity Loan Trust, Series 2005-I	\$2,000,000,000	CWHEQ	CSC	CHL
19					
20	CWHEQ Revolving Home Equity Loan Trust, Series 2005-J	\$1,500,000,000	CWHEQ	CSC	CHL
21					
22	CWHEQ Revolving Home Equity Loan Trust, Series 2005-K	\$1,000,000,000	CWHEQ	CSC	CHL
23					
24	CWHEQ Revolving Home Equity Loan Trust, Series 2005-L	\$400,000,000	CWHEQ	CSC	CHL
25					
26	CWHEQ Revolving Home Equity Loan Trust, Series 2005-M	\$2,000,000,000	CWHEQ	CSC/Lehman/HSBC	CHL
27					
28	CWHEQ Revolving Home Equity Loan Trust, Series 2006-A	\$800,000,000	CWHEQ	CSC	CHL

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1	Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
2	CWHEQ Revolving Home Equity				
3	Loan Trust, Series 2006-B	\$1,150,000,000	CWHEQ	CSC	CHL
4	CWHEQ Revolving Home Equity				
5	Loan Trust, Series 2006-C	\$1,850,000,000	CWHEQ	CSC	CHL
6	CWHEQ Revolving Home Equity				
7	Loan Trust, Series 2006-D	\$1,850,000,000	CWHEQ	CSC	CHL
8	CWHEQ Revolving Home Equity				
9	Loan Trust, Series 2006-E	\$1,500,000,000	CWHEQ	CSC	CHL
10	CWHEQ Revolving Home Equity				
11	Loan Trust, Series 2006-F	\$1,620,000,000	CWHEQ	CSC	CHL
12	CWHEQ Revolving Home Equity				
13	Loan Trust, Series 2006-G	\$1,000,000,000	CWHEQ	CSC	CHL
14	CWHEQ Revolving Home Equity				
15	Loan Trust, Series 2006-H	\$1,000,000,000	CWHEQ	CSC	CHL
16	CWHEQ Revolving Home Equity				
17	Loan Trust, Series 2006-I	\$2,100,000,000	CWHEQ	CSC	CHL
18	CWHEQ Revolving Home Equity				
19	Loan Trust, Series 2007-A	\$1,200,000,000	CWHEQ	CSC	CHL
20	CWHEQ Revolving Home Equity				
21	Loan Trust, Series 2007-B	\$950,000,000	CWHEQ	CSC	CHL
22	CWHEQ Revolving Home Equity				
23	Loan Trust, Series 2007-C	\$950,000,000	CWHEQ	CSC	CHL
24	CWHEQ Revolving Home Equity				
25	Loan Trust, Series 2007-D	\$900,000,000	CWHEQ	CSC	CHL
26	CWHEQ Revolving Home Equity				
27	Loan Trust, Series 2007-E	\$900,000,000	CWHEQ	CSC	CHL
28	CWHEQ Revolving Home Equity				
	Loan Trust, Series 2007-G	\$566,952,000	CWHEQ	CSC	CHL

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Issuing Trust	Principal Amount	Depositor	Underwriter(s)	Sponsor
Total:	\$332,190,973,655			

38. Each of the Issuing Trusts, CWALT, CWMBs, CWABS, and CWHEQ is an “issuer” as defined under the Securities Act and are collectively referred to herein as the “Issuing Defendants.”

39. Defendants CSC, JP Morgan, Deutsche Bank, Bear Stearns, BoA, UBS, Morgan Stanley, Edward Jones, Citigroup, Goldman Sachs, Credit Suisse, RBS, Lehman, Barclays, HSBC, BNP, and Merrill Lynch are referred to herein as the “Underwriter Defendants.”

40. The Issuing Defendants and Underwriting Defendants are collectively referred to herein as the “Issuing and Underwriting Defendants.”

41. Defendant Stanford L. Kurland (“Kurland”) was, at relevant times, CWALT’s, CWMBs’, CWABS’, and CWHEQ’s Chief Executive Officer (“CEO”), President and Chairman of the Board of Directors. Defendant Kurland signed CWALT’s June 17, 2005, July 25, 2005, February 7, 2006, and March 6, 2006 Registration Statements; CWMBs’ June 20, 2005, July 25, 2005, February 8, 2006, and March 6, 2006 Registration Statements; CWABS’ February 6, 2006, February 21, 2006, July 18, 2006, and August 8, 2006 Registration Statements; and CWHEQ’s July 21, 2005, August 14, 2005, March 13, 2006, and April 12, 2006 Registration Statements.

42. Defendant David A. Spector (“Spector”) was, at relevant times, CWALT’s, CWMBs’, CWABS’, and CWHEQ’s Vice President and a member of the Board of Directors. Defendant Spector signed CWALT’s June 17, 2005, July 25, 2005, February 7, 2006, and March 6, 2006 Registration Statements; CWMBs’ June 20, 2005, July 25, 2005, February 8, 2006, and March 6, 2006 Registration Statements; CWABS’ February 6, 2006, February 21, 2006, July 18, 2006, and August 8, 2006 Registration Statements; and CWHEQ’s July 21, 2005, August 14, 2005, March 13, 2006, and April 12, 2006 Registration Statements.

43. Defendant Eric P. Sieracki (“Sieracki”) was, at relevant times, CWALT’s, CWMBs’, CWABS’, and CWHEQ’s Executive Vice President, Chief Financial Officer (“CFO”), Treasurer and member of the Board of Directors. Defendant Sieracki signed CWALT’s June 17,

1 2005, July 25, 2005, February 7, 2006, March 6, 2006, February 28, 2007, and April 24, 2007  
2 Registration Statements; CWMBBS' June 20, 2005, July 25, 2005, February 8, 2006, March 6, 2006,  
3 February 28, 2007, and April 24, 2007 Registration Statements; CWABS' February 6, 2006,  
4 February 21, 2006, July 18, 2006, August 8, 2006, February 28, 2007, and April 24, 2007  
5 Registration Statements; and CWHEQ's July 21, 2005, August 14, 2005, March 13, 2006, April  
6 12, 2006, January 10, 2007, March 2, 2007, April 17, 2007, and May 22, 2007 Registration  
7 Statements.

8 44. Defendant N. Joshua Adler ("Adler") was, at relevant times, CWALT's, CWMBBS',  
9 CWABS' and CWHEQ's President, CEO and a member of the Board of Directors. Defendant  
10 Adler signed CWALT's February 28, 2007 and April 24, 2007 Registration Statements; CWMBBS'  
11 February 28, 2007 and April 24, 2007 Registration Statements; CWABS' February 28, 2007 and  
12 April 24, 2007 Registration Statements; and CWHEQ's January 10, 2007, March 2, 2007, April 17,  
13 2007 and May 22, 2007 Registration Statements.

14 45. Defendant Ranjit Kripalani ("Kripalani") was, at relevant times, a member of  
15 CWALT's, CWMBBS', CWABS', and CWHEQ's Board of Directors. Defendant Kripalani signed  
16 CWALT's February 28, 2007 and April 24, 2007 Registration Statements; CWMBBS' February 28,  
17 2007 and April 24, 2007 Registration Statements; CWABS' February 28, 2007 and April 24, 2007  
18 Registration Statements; and CWHEQ's May 22, 2007 Registration Statement.

19 46. Defendant Jennifer S. Sandefur ("Sandefur") was, at relevant times, a member of  
20 CWALT's, CWMBBS', CWABS', and CWHEQ's Board of Directors. Defendant Sandefur signed  
21 CWALT's February 28, 2007 and April 24, 2007 Registration Statements; CWMBBS' February 28,  
22 2007 and April 24, 2007 Registration Statements; CWABS' February 28, 2007 and April 24, 2007  
23 Registration Statements; and CWHEQ's May 22, 2007 Registration Statement.

24 47. Defendant David Sambol ("Sambol") was, at relevant times, CWHEQ's CEO,  
25 President, and Chairman of the Board of Directors. Defendant Sambol signed CWHEQ's January  
26 10, 2007, March 2, 2007 and April 17, 2007 Registration Statements.

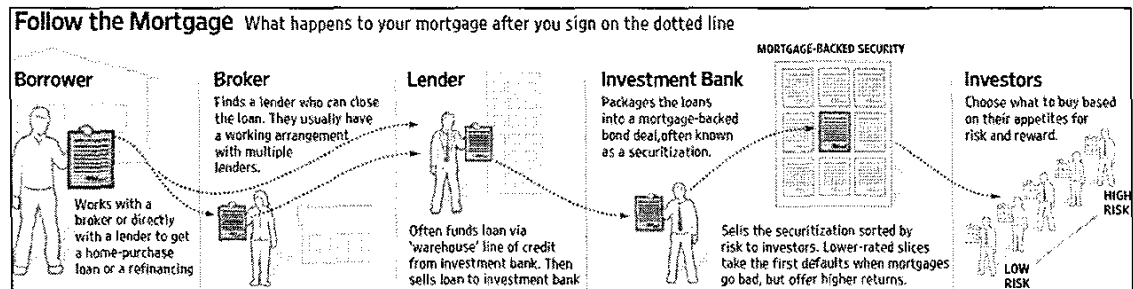
27 48. Defendants Kurland, Spector, Sieracki, Adler, Kripalani, Sandefur, and Sambol are  
28 collectively referred to hereinafter as the "Individual Defendants."

## SUBSTANTIVE ALLEGATIONS

### **BACKGROUND**

49. Securitization is a structured finance process in which assets are acquired, classified into pools, and offered as collateral for third-party investment. It involves the selling of financial instruments which are backed by the cash flow or value of underlying illiquid assets. Securitization is common in the lending industry, where it is applied to lenders' claims on mortgages and other debts. Securitization thus converts illiquid assets into liquid assets by pooling, underwriting and selling them in the form of asset-backed securities ("ABS"). There is nothing inherently wrong with securitization when done properly and disclosed accordingly.

50. Although nearly any type of income-producing asset can be used in an ABS, mortgages were some of the most prevalent types of assets used in securitization. The securitization of mortgages was accomplished through the creation of mortgage-backed securities ("MBS"), as illustrated below:



MBSs that contained residential mortgages are also referred to as residential mortgage-backed securities ("RMBS").

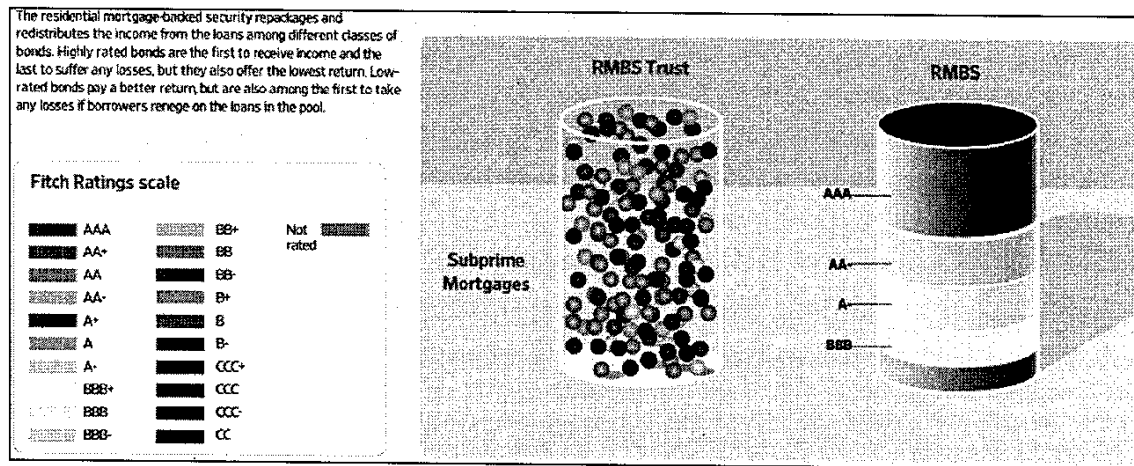
51. A MBS pools together the cash-flow received when mortgage borrowers make interest and principal payments as required by the underlying mortgages. That cash is then distributed to the holders of the MBS certificates in order of priority based on the specific tranche held by the MBS investors. The highest tranche (also referred to as the senior tranche) is first to receive its share of the mortgage proceeds. Since the senior tranche is *first* to receive payments, it is also the *last* tranche to absorb any losses should mortgage-borrowers become delinquent or default on their mortgage. As a result, the senior tranches of most MBSs were rated AAA by the Rating Agencies. After the senior tranche, the middle tranches (referred to as mezzanine tranches)

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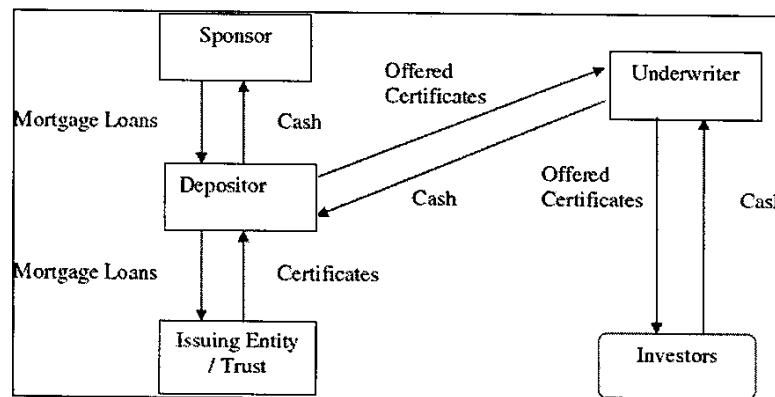
099



are next to receive their share of the proceeds. In accordance to their order of priority, the mezzanine tranches were generally rated from AA to BB by the Rating Agencies. The process of distributing the mortgage proceeds continues down the tranches through to the bottom tranches, referred to as equity tranches. This process is repeated each month and all investors receive the payments owed to them so long as the mortgage borrowers are current on their mortgages.



52. As illustrated below, in the typical securitization transaction, participants in the transaction are the Sponsor (who is often the loan Servicer as well), the Depositor, the Underwriter, the Issuing Trust, and investors. On the closing date of a Trust series, the mortgage loans supporting the Trust are first sold by the Sponsor of the securitization transaction to the Depositor in return for cash. This has the effect of removing the loans from the Sponsor's financial statements. The Depositor then sells those mortgage loans and related assets to the Trust, in exchange for the Trust issuing Certificates to the Depositor. The Depositor then works with the Underwriter of the Trust to price and sell the Certificates to investors.





1           53.    Thereafter, the mortgage loans supporting the Trusts are serviced by the Servicer,  
2 who earns monthly servicing fees by collecting principal and interest from mortgagors. After  
3 subtracting a servicing fee, the Servicer sends the remainder of the payments to a trustee for  
4 administration and distribution to the Trust, and ultimately, to investors.

5           54.    The Certificates issued to investors are issued pursuant to Prospectuses. These  
6 documents are substantially similar from Trust to Trust, and each employ substantially-identical  
7 representations and statements concerning important information for investors. Investors utilize  
8 this information in determining whether to invest in the Trust. Some of the most important  
9 information contained in the Prospectuses concerns the underwriting process for the mortgages, the  
10 independence of the appraisals of the underlying properties, borrowers' income and credit history,  
11 the loan-to-value ("LTV") ratio, and debt-to-income ratio. Independent and accurate appraisals are  
12 essential to the entire mortgage lending and securitization process. Appraisals are intended to  
13 provide borrowers, lenders, and the investors in MBSs an independent and accurate assessment of  
14 the value of the mortgaged property. This ensures that a mortgage or home equity loan is not  
15 under-collateralized, which protects borrowers from financially over-extending themselves and  
16 protects lenders and investors from losses when some borrowers default on the loans.

17           55.    In the instant case, investors were assured by the Issuing and Underwriting  
18 Defendants that the loans supporting the Trusts were originated pursuant to stringent mortgage-  
19 underwriting standards and that independent appraisals were conducted on the underlying  
20 properties. Investors were told that the appraisals were based on, among other things, the market  
21 value of comparable homes and the cost of replacing the homes. This was not the case for many of  
22 the mortgage loans supporting the Trusts.

23                           **THE FALSE AND MISLEADING STATEMENTS**  
24                           **MADE IN THE PROSPECTUSES**

25           56.    From June 13, 2005 to December 27, 2007, the Issuing and Underwriting  
26 Defendants caused Prospectuses to be filed with the SEC in connection with, and for the purpose  
27 of, issuing billions of dollars of Certificates. Each of the Prospectuses issued by the Issuing and  
28 Underwriting Defendants contained extensive disclosures about the standards purportedly used to

Exhibit C

1 underwrite the mortgages in the Trusts and stating: “[a]ll of the mortgage loans in the trust fund  
2 will have been originated or acquired by Countrywide Home Loans in accordance with its credit,  
3 appraisal and underwriting standards....”, and that “Countrywide Home Loans’ underwriting  
4 standards are applied by or on behalf of Countrywide Home Loans to evaluate the prospective  
5 borrower’s credit standing and repayment ability and the value and adequacy of the mortgaged  
6 property as collateral.” Prospectus Supplement for CHL Mortgage Pass-Through Trust 2005-30  
7 (Form 424B5), at S-22, 23 (Nov. 22, 2005) (emphasis added).<sup>2</sup> These statements in the  
8 Prospectuses were false and misleading because:

9 (a) a significant proportion of the mortgage loans did not meet the underwriting  
10 guidelines disclosed in the Prospectuses;

11 (b) the Issuing Defendants and their loan originators used a combination of “low  
12 documentation” and “no documentation” programs to conceal, distort and inflate borrowers’ true  
13 income and their ability to repay the mortgages;

14 (c) the Issuing Defendants and their loan originators paid special bonuses to mortgage  
15 brokers who steered borrowers into higher cost loans than the borrowers could have otherwise  
16 qualified for;

17 (d) the value and adequacy of the mortgaged property as collateral was not evaluated in  
18 an independent and objective manner because the Issuing Defendants and their loan originators had

19 <sup>2</sup> The Prospectuses uniformly used the same, or substantially similar, language. *Accord, e.g.*,  
20 Prospectus Supplement for Alternative Loan Trust 2005-J7 (Form 424B5), at S-31 (June 29, 2005);  
21 Prospectus Supplement for Alternative Loan Trust 2005-63 (Form 424B5), at S-78 (Oct. 31, 2005);  
22 Prospectus Supplement for Alternative Loan Trust 2006-6CB (Form 424B5), at S-58 (Mar. 29,  
23 2006); Prospectus Supplement for Alternative Loan Trust 2007-12T1 (Form 424B5), at S-36 (Apr.  
24 27, 2007); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2006-HYB3 (Form  
25 424B5), at S-97 (May 1, 2006); Prospectus Supplement for CHL Mortgage Pass-Through Trust  
26 2006-11 (Form 424B5), at S-33 (Apr. 24, 2006); Prospectus Supplement for CHL Mortgage Pass-  
27 Through Trust 2007-1 (Form 424B5), at S-30 (Jan. 29, 2007); Prospectus Supplement for CWABS  
28 Asset-Backed Certificates Trust 2005-10 (Form 424B5), at S-21 (Sept. 15, 2005); Prospectus  
Supplement for CWABS Asset-Backed Certificates Trust 2006-1 (Form 424B5), at S-29 (Feb. 8,  
2006); Prospectus Supplement for CWABS Asset-Backed Certificates Trust 2007-1 (Form 424B5),  
at S-29 (Feb. 8, 2007); Prospectus Supplement for CWHEQ Home Equity Loan Trust, Series 2006-  
S2 (Form 424B5), at S-24 (Mar. 29, 2006); Prospectus Supplement for CWHEQ Home Equity  
Loan Trust, Series 2007-S3 (Form 424B5), at S-28 (Mar. 29, 2007); Prospectus Supplement for  
CWHEQ Revolving Home Equity Loan Trust, Series 2005-I (Form 424B5), at S-31 (Dec. 22,  
2005); Prospectus Supplement for CWHEQ Revolving Home Equity Loan Trust, Series 2006-B  
(Form 424B5), at S-42 (Mar. 28, 2006); Prospectus Supplement for CWHEQ Revolving Home  
Equity Loan Trust, Series 2007-A (Form 424B5), at S-38 (Jan. 30, 2007).

1 pressured appraisers to over-value the properties used to collateralize the securities in violation of  
2 federal and state regulations; and

3 (e) the Issuing Defendants and their loan originators had substantially lowered their  
4 underwriting standards, and increased the risk of loan default, by aggressively steering borrowers  
5 to increasingly riskier loan products.

6 57. The Prospectuses also contained false and misleading disclosures that “[e]xceptions  
7 to Countrywide Home Loans’ underwriting guidelines may be made if compensating factors are  
8 demonstrated by a prospective borrower.”<sup>3</sup> Contrary to these statements, however, the exceptions  
9 swallowed the rule and were not made with any regard to purported “compensating factors.” For  
10 example, although not limited to the Issuing Defendants, recent revelations about the conduct of  
11 RMBS issuers and underwriters confirms that mortgage underwriting standards – like the  
12 underwriting standards discussed in the Prospectuses – were systematically circumvented as a  
13 matter of industry practice. In fact, issuers and underwriters made so many “exceptions” to the  
14 stated underwriting criteria for mortgages that industry insiders began referring to them as  
15 “exception loans.” The perverse industry-insider practice of exception loans was detailed in a  
16 January 12, 2008 *New York Times* article stating, *inter alia*:

17 An investigation into the mortgage crisis by New York State  
18 prosecutors is now focusing on whether Wall Street banks  
19 withheld crucial information about the risks posed by investments  
20 linked to subprime loans.

21 Reports commissioned by the banks raised red flags about high-  
22 risk loans known as *exceptions*, which *failed to meet even the lax*  
23 *credit standards of subprime mortgage companies and the Wall*  
24 *Street firms. But the banks did not disclose the details of these*  
25 *reports to credit-rating agencies or investors.*

26 The inquiry, which was opened last summer by New York’s  
27 attorney general, Andrew M. Cuomo, centers on how the banks  
28 bundled billions of dollars of *exception loans* and other subprime  
debt into complex mortgage investments, according to people with  
knowledge of the matter. Charges could be filed in coming weeks.

....

<sup>3</sup> *Id.*

1 As plunging home prices prompt talk of a recession, state  
2 prosecutors have zeroed in on the way investment banks handled  
3 exception loans. *In recent years, lenders, with Wall Street's  
blessing, routinely waived their own credit guidelines, and the  
exceptions often became the rule.*

4 It is unclear how much of the \$1 trillion subprime mortgage market  
5 is composed of exception loans. *Some industry officials say such  
loans made up a quarter to a half of the portfolios they saw. In  
6 some cases, the loans accounted for as much as 80 percent.*  
7 While exception loans are more likely to default than ordinary  
8 subprime loans, it is difficult to know how many of these loans  
9 have soured because banks disclose little information about them,  
10 officials say.

11 Wall Street banks bought many of the exception loans from  
12 subprime lenders, mixed them with other mortgages and pooled the  
13 resulting debt into securities for sale to investors around the world.

14 ***The banks also did not disclose how many exception loans were  
backing the securities they sold....***

15 ....

16 Investment banks that buy mortgages require lenders to maintain  
17 standards outlining who is eligible for loans and how much they  
18 can borrow based on their overall credit history. But as home  
19 prices surged, subprime lenders, which market to people with weak  
20 credit, relaxed their guidelines. They began lending to people who  
21 did not provide documents verifying their income – so-called no-  
22 doc loans – and made exceptions for borrowers who fell short of  
23 even those standards.

24 ....

25 To vet mortgages, Wall Street underwriters hired outside due  
26 diligence firms to scrutinize loan documents for exceptions, errors  
27 and violations of lending laws. But Jay H. Meadows, the chief  
28 executive of Rapid Reporting, a firm based in Fort Worth that  
verifies borrowers' incomes for mortgage companies, said lenders  
and investment banks routinely ignored concerns raised by these  
consultants.

29 ***"Common sense was sacrificed on the altar of materialism," Mr.  
Meadows said. "We stopped checking."***

30 And as mortgage lending boomed, many due diligence firms scaled  
31 back their checks at Wall Street's behest. ***By 2005, the firms were  
evaluating as few as 5 percent of loans in mortgage pools they  
were buying, down from as much as 30 percent at the start of the  
32 decade,*** according to Kathleen Tillwitz, a senior vice president at  
33 DBRS, a credit-rating firm that has not been subpoenaed. These  
34 firms charged Wall Street banks about \$350 to evaluate a loan, so  
35 ***sampling fewer loans cost less.***

Vikas Bajaj and Jenny Anderson, *Inquiry Focuses on Withholding of Data on Loans*, The New York Times, Jan. 12, 2008 (emphasis added).

**A. The Appraised Values of The Mortgaged Properties Were Artificially Inflated By the Issuing Defendants**

58. The Uniform Standards of Professional Appraisal Practice ("USPAP") require, *inter alia*, that:

- "An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests";
- "In appraisal practice, an appraiser must not perform as an advocate for any party or issue";
- "An appraiser must not accept an assignment that includes the reporting of predetermined opinions and conclusions"; and
- "It is unethical for an appraiser to accept an assignment, or to have a compensation arrangement for an assignment, that is contingent on any of the following: 1. the reporting of a predetermined result (e.g., opinion of value); 2. a direction in assignment results that favors the cause of the client; 3. the amount of a value opinion; 4. the attainment of a stipulated result; or 5. the occurrence of a subsequent event directly related to the appraiser's opinions and specific to the assignment's purpose."<sup>4</sup>

59. One of the most important goals of the underwriting standards was to establish the value and adequacy of the collateral as determined through purportedly independent appraisals under USPAP. The Prospectuses stated that,

*Countrywide Home Loans' underwriting standards are applied in accordance with applicable federal and state laws and regulations and require an independent appraisal of the mortgaged property prepared on a Uniform Residential Appraisal Report (Form 1004) or other appraisal form as applicable to the specific mortgaged property type. Each appraisal includes a market data analysis based on recent sales of comparable homes in the area and, where deemed appropriate, replacement cost analysis based on the current cost of constructing a similar home and generally is required to have been made not earlier than 180*

<sup>4</sup> Uniform Standards of Professional Appraisal Practice (available at [http://commerce.appraisal.foundation.org/html/2006%20USPAP/ethics\\_rule.htm](http://commerce.appraisal.foundation.org/html/2006%20USPAP/ethics_rule.htm)).

1 days prior to the date of origination of the mortgage loan. *Every*  
2 *independent appraisal is reviewed by a representative of*  
3 *Countrywide Home Loans before the loan is funded, and an*  
4 *additional review appraisal is generally performed in connection*  
*with appraisals not provided by Landsafe Appraisals, Inc., a*  
*wholly owned subsidiary of Countrywide Home Loans....*

5 Prospectus Supplement for CWABS Asset-Backed Certificates Trust 2006-1 (Form 424B5), at S-  
6 37 (Feb. 8, 2006) (emphasis added).<sup>5</sup> These statements in the Prospectuses were false and  
7 misleading because:

8 (a) underwriting and appraisal standards were routinely violated because the Issuing  
9 Defendants and their loan originators pressured appraisers to over-value the properties used to  
10 collateralize the securities in violation of federal and state regulations;

11 (b) the Issuing and Underwriting Defendants knew that appraisers had over-inflated  
12 property appraisals at their behest, violating applicable federal and state laws and regulations;

13 (c) appraisals were not meant to determine the adequacy of the collateral, but rather to  
14 ensure the largest dollar-volume of mortgages were quickly completed, enabling the Issuing and  
15 Underwriting Defendants to securitize the mortgages, shifting all the risk to investors while  
16 generating massive transaction and servicing fees for Defendants;

17 (d) as a result of the over-appraisal of properties, the risk of mortgage defaults was far  
18 greater than disclosed to investors;

19 <sup>5</sup> The Prospectuses uniformly used the same, or substantially similar, language. *Accord, e.g.,*  
20 Prospectus Supplement for Alternative Loan Trust 2005-J7 (Form 424B5), at S-32 (June 29, 2005);  
21 Prospectus Supplement for Alternative Loan Trust 2005-63 (Form 424B5), at S-80 (Oct. 31, 2005);  
22 Prospectus Supplement for Alternative Loan Trust 2006-6CB (Form 424B5), at S-60 (Mar. 29,  
23 2006); Prospectus Supplement for Alternative Loan Trust 2007-12T1 (Form 424B5), at S-37 (Apr.  
24 27, 2007); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2006-HYB3 (Form  
25 424B5), at S-99 (May 1, 2006); Prospectus Supplement for CHL Mortgage Pass-Through Trust  
26 2005-30 (Form 424B5), at S-23 (Nov. 22, 2005); Prospectus Supplement for CHL Mortgage Pass-  
27 Through Trust 2006-11 (Form 424B5), at S-34 (Apr. 24, 2006); Prospectus Supplement for CHL  
28 Mortgage Pass-Through Trust 2007-1 (Form 424B5), at S-31 (Jan. 29, 2007); Prospectus  
Supplement for CWABS Asset-Backed Certificates Trust 2005-10 (Form 424B5), at S-29 (Sept.  
15, 2005); Prospectus Supplement for CWABS Asset-Backed Certificates Trust 2007-1 (Form  
424B5), at S-38 (Feb. 8, 2007); Prospectus Supplement for CWHEQ Home Equity Loan Trust,  
Series 2006-S2 (Form 424B5), at S-31 (Mar. 29, 2006); Prospectus Supplement for CWHEQ  
Home Equity Loan Trust, Series 2007-S3 (Form 424B5), at S-36 (Mar. 29, 2007); Prospectus  
Supplement for CWHEQ Revolving Home Equity Loan Trust, Series 2005-I (Form 424B5), at S-  
26 (Dec. 22, 2005); Prospectus Supplement for CWHEQ Revolving Home Equity Loan Trust,  
Series 2006-B (Form 424B5), at S-33 (Mar. 28, 2006); Prospectus Supplement for CWHEQ  
Revolving Home Equity Loan Trust, Series 2007-A (Form 424B5), at S-32 (Jan. 30, 2007).



(e) as a result of the over-appraisal of properties, the value of the underlying mortgage collateral was significantly lower than disclosed to investors; and

(f) appraisals were *not* “based on recent sales of comparable homes in the area and, where deemed appropriate, replacement cost analysis based on the current cost of constructing a similar home,” but rather, were based on predetermined values selected by the Issuing Defendants and their loan originators so that they could successfully originate loans.

60. The integrity of the appraisal process was of particular importance because the appraised value of the property was used to calculate the LTV ratio of the mortgage loans, a number that is considered in the mortgage industry to be one of the most important measures of a borrower’s ability to repay the loan.<sup>6</sup> As already noted herein, in addition to violating the stated underwriting standards in the Prospectuses, the fraudulently inflated appraisals also rendered the LTV ratios disclosed in the Prospectuses materially false and misleading. The Prospectuses described the process of calculating the LTV as follows:

Loan-to-Value Ratio. The “LOAN-TO-VALUE RATIO” of a Mortgage Loan is equal to:

- (1) the principal balance of the Mortgage Loan at the date of origination, divided by
- (2) the Collateral Value of the related Mortgaged Property.

The “COLLATERAL VALUE” of a Mortgaged Property is the lesser of:

- (1) the appraised value based on an appraisal made for Countrywide Home Loans by an independent fee appraiser at the time of the origination of the related Mortgage Loan, and
- (2) the sales price of the Mortgaged Property at the time of origination.

With respect to a Mortgage Loan the proceeds of which were used to refinance an existing mortgage loan, the Collateral Value is the appraised value of the Mortgaged Property based upon the appraisal obtained at the time of refinancing.

<sup>6</sup> See Joshua Rosner and Joseph R. Mason, *Where Did the Risk Go? How Misapplied Bond Ratings Cause Mortgage Backed Securities and Collateralized Debt Obligation Market Disruptions*, SSRN Working Paper, May 3, 2007, available at <http://ssrn.com/abstract=1027475> (“traditionally the loan to value (LTV) and FICO score and the borrowers DTI are the three most significant measures of credit risk on a mortgage.”).



1 Prospectus Supplement for CWABS Asset-Backed Certificates Trust 2006-1 (Form 424B5), at S-  
2 31 (Feb. 8, 2006).<sup>7</sup> These statements in the Prospectuses were false and misleading because:

3 (a) as a result of the over-appraisal of properties, the disclosed LTV ratios for  
4 the underlying mortgages were materially higher than disclosed to investors, increasing  
5 substantially the risk of mortgage defaults; and

6 (b) the appraisals of the mortgaged properties were not "independent" and were  
7 fraudulently inflated.

8 61. In fact, some of the most damaging allegations regarding Countrywide's fraudulent  
9 misconduct come from the Company's own executives. For example, on January 8, 2008, Mark  
10 Zachary ("Zachary") filed an action in Texas Federal Court alleging that Countrywide KB Home  
11 Loans, Inc. ("CWKB"), a joint-venture between Countrywide and KB Home, wrongfully  
12 terminated him after he refused to engage in illegal appraisal fraud and related misconduct in  
13 underwriting mortgage loans that were deposited into the Issuing Trusts.<sup>8</sup> Zachary, a Regional  
14 Vice President of CWKB, alleges, *inter alia*, that:

15 In September 2006, Mr. Zachary began questioning Countrywide  
16 executives as to a questionable practice on the part of Countrywide  
17 where ***only one appraiser was being used*** to appraise homes on  
18 behalf of KB Home as it related to CWKB. ***The appraiser, as known to Countrywide executives, was being strongly***

19 <sup>7</sup> The Prospectuses uniformly used the same, or substantially similar, language. *Accord, e.g.*,  
20 Prospectus Supplement for Alternative Loan Trust 2005-J7 (Form 424B5), at S-17 (June 29, 2005);  
21 Prospectus Supplement for Alternative Loan Trust 2005-63 (Form 424B5), at S-17 (Oct. 31, 2005);  
22 Prospectus Supplement for Alternative Loan Trust 2006-6CB (Form 424B5), at S-36 (Mar. 29,  
23 2006); Prospectus Supplement for Alternative Loan Trust 2007-12T1 (Form 424B5), at S-32 (Apr.  
24 27, 2007); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2006-HYB3 (Form  
25 424B5), at S-30 (May 1, 2006); Prospectus Supplement for CHL Mortgage Pass-Through 2005-30  
26 (Form 424B5), at S-14 (Nov. 22, 2005); Prospectus Supplement for CHL Mortgage Pass-Through  
27 Trust 2006-11 (Form 424B5), at S-24 (Apr. 24, 2006); Prospectus Supplement for CWABS Asset-  
28 Backed Certificates Trust 2005-10 (Form 424B5), at S-22 (Sept. 15, 2005); Prospectus Supplement  
for CWABS Asset-Backed Certificates Trust 2006-1 (Form 424B5), at S-31 (Feb. 8, 2006);  
Prospectus Supplement for CWABS Asset-Backed Certificates Trust 2007-1 (Form 424B5), at S-  
32 (Feb. 8, 2007); Prospectus Supplement for CWHEQ Home Equity Loan Trust, Series 2006-S2  
(Form 424B5), at S-25 (Mar. 29, 2006); Prospectus Supplement for CWHEQ Home Equity Loan  
Trust, Series 2007-S3 (Form 424B5), at S-30 (Mar. 29, 2007); Prospectus for CWHEQ Asset  
Backed Securities (Form 424B5), at 19 (Aug. 4, 2005); Prospectus for CWHEQ Asset Backed  
Securities (Form 424B5), at 23 (Feb. 7, 2006); Prospectus for CWHEQ Asset Backed Securities  
(Form 424B5), at 23 (Nov. 15, 2006).

<sup>8</sup> *Zachary v. Countrywide Fin. Corp., et al.*, C.A. No. 4:08-cv-00214 (S.D. Tex. Jan. 17, 2008).

*encouraged to inflate the homes' appraised value by as much as 6% to allow the homeowner to "roll up" all closing costs. Not only would the home buyer be duped by this act, the end investors (the secondary market) providing funds for these loans were also duped because they were not made aware that the actual home value could actually be less than the loan amount tied to the mortgage note. This inflated value put the buyer upside down on the home immediately after purchasing it; thus, setting up the buyer to become more susceptible to defaulting on the loan. It also put the lender and secondary market end investor at risk because they were unaware of the true value of their asset.<sup>9</sup>*

62. Similarly, in their suit, Deborah and Lonnie Bolden (the "Boldens") allege that CWKB inflated the appraisals in a KB Home development in Live Oak, California, also using a single appraiser.<sup>10</sup> The Boldens uncovered CWKB's scheme when one of their neighbors refused CWKB's pressure tactics and sought an alternative lender which caused the other lender to conduct an independent appraisal of the property. To their neighbors' dismay, the independent appraiser concluded that the property's value was \$408,000, or *approximately 13% less than the \$469,000 value appraised by CWKB*. Upon further investigation, the Boldens discovered that the appraisal performed by CWKB fraudulently inflated the values of purportedly "comparable" properties. Specifically, the Boldens' appraisal report listed two properties as having sold for \$461,000 and \$480,500, while the public records from the county recorder's office indicate that the homes were actually sold for \$408,500 and \$410,000, respectively.<sup>11</sup>

**B. Borrowers' Income Was Artificially Inflated By The Issuing Defendants**

63. Another extremely important aspect of the underwriting process was the Issuing Defendants' determination and verification of borrowers' ability to repay the mortgages. The Prospectuses stated that,

*Countrywide Home Loans' underwriting standards are applied by or on behalf of Countrywide Home Loans to evaluate the prospective borrower's credit standing and repayment ability and the value and adequacy of the mortgaged property as collateral. Under those standards, a prospective borrower must generally demonstrate that the ratio of the borrower's monthly housing*

<sup>9</sup> *Id.* at ¶ 9 (emphasis added).

<sup>10</sup> *Bolden v. KB Home, et al.*, Case No. BC385040 (Sup. Ct. Cal. Feb. 6, 2008).

<sup>11</sup> *Id.* at ¶¶ 28-31 and Exhibit A.

*expenses* (including principal and interest on the proposed mortgage loan and, as applicable, the related monthly portion of property taxes, hazard insurance and mortgage insurance) *to the borrower's monthly gross income and the ratio of total monthly debt to the monthly gross income (the "debt-to-income" ratios) are within acceptable limits.* The maximum acceptable debt-to-income ratio, which is determined on a loan-by-loan basis varies depending on a number of underwriting criteria, including the Loan-to-Value Ratio, loan purpose, loan amount and credit history of the borrower. *In addition to meeting the debt-to-income ratio guidelines, each prospective borrower is required to have sufficient cash resources to pay the down payment and closing costs.* Exceptions to Countrywide Home Loans' underwriting guidelines may be made if compensating factors are demonstrated by a prospective borrower.

Prospectus Supplement for Alternative Loan Trust 2005-J7 (Form 424B5), at S-31 and S-35 (June 29, 2005) (emphasis added).<sup>12</sup> Although some mortgages were underwritten using the so-called "Full Documentation Program," where the Issuing Defendants and their loan originators purportedly reviewed borrowers' last W-2 to determine and verify income, many of the mortgages were underwritten using the "Reduced Documentation Program" and the "No Income/No Asset Documentation Program." Under the Reduced Documentation Program,

some underwriting documentation concerning income, employment and asset verification is waived. Countrywide Home Loans obtains from a prospective borrower either a verification of deposit or bank statements for the two-month period immediately before the date of the mortgage loan application or verbal verification of employment.

<sup>12</sup> The Prospectuses uniformly used the same, or substantially similar, language. *Accord, e.g.,* Prospectus Supplement for Alternative Loan Trust 2006-6CB (Form 424B5), at S-59 (Mar. 29, 2006); Prospectus Supplement for Alternative Loan Trust 2005-63 (Form 424B5), at S-79 (Oct. 31, 2005); Prospectus Supplement for Alternative Loan Trust 2007-12T1 (Form 424B5), at S-37 (Apr. 27, 2007); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2006-HYB3 (Form 424B5), at S-98 (May 1, 2006); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2005-30 (Form 424B5), at S-23 (Nov. 22, 2005); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2006-11 (Form 424B5), at S-34 (Apr. 24, 2006); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2007-1 (Form 424B5), at S-31 (Jan. 29, 2007); Prospectus Supplement for CWHEQ Home Equity Loan Trust, Series 2006-S2 (Form 424B5), at S-31 (Mar. 29, 2006); Prospectus Supplement for CWHEQ Home Equity Loan Trust, Series 2007-S3 (Form 424B5), at S-37 (Mar. 29, 2007); Prospectus Supplement for CWHEQ Revolving Home Equity Loan Trust, Series 2005-I (Form 424B5), at S-27 (Dec. 22, 2005); Prospectus Supplement for CWHEQ Revolving Home Equity Loan Trust, Series 2006-B (Form 424B5), at S-34 (Mar. 28, 2006); Prospectus Supplement for CWHEQ Revolving Home Equity Loan Trust, Series 2007-A (Form 424B5), at S-32 (Jan. 30, 2007).

1 Prospectus Supplement for Alternative Loan Trust 2007-12TI (Form 424B5), at S-39 (Apr. 27,  
2 2007) (emphasis added).<sup>13</sup> Correspondingly, under the No Income/No Asset Documentation  
3 Program, “no documentation relating to a prospective borrower’s income, employment or assets is  
4 required.” *Id.* The borrower’s purported income would then be used to determine the borrower’s  
5 housing-to-income and debt-to-income ratios.

6 64. The representations about the Issuing Defendants’ and the loan originators’  
7 underwriting procedures, borrowers’ income, and borrowers’ housing-to-income and debt-to-  
8 income ratios were materially false and misleading. Contrary to the Issuing Defendants’  
9 representations in the Prospectuses, borrowers’ income, assets and employment status were  
10 frequently disregarded and/or manipulated to inflate borrowers’ perceived ability to repay the  
11 mortgages. For example, the Issuing Defendants and their loan originators would frequently coach  
12 borrowers to intentionally inflate their income. The Issuing Defendants and the loan originators  
13 would also frequently disregard borrowers’ stated income, pressuring borrowers away from the full  
14 documentation program toward the reduced and no documentation programs, thereby qualifying  
15 them for higher loan amounts than the borrowers’ actual income would support. In some cases,  
16 even borrowers who could verify their incomes and had excellent credit scores were steered into  
17 subprime and “alternative” mortgages.<sup>14</sup>

18 65. For example, in his complaint, Zachary, a Regional Vice President of CWKB,  
19 alleges, *inter alia*, that:

20 Zachary continued to voice his concerns on other grave illegal  
21 issues which were being conducted by CWKB. Another of such  
22 issues involved Countrywide’s practice of *flipping* a loan

23 <sup>13</sup> The Prospectuses uniformly used the same, or substantially similar, language. *Accord, e.g.*,  
24 Prospectus Supplement for Alternative Loan Trust 2005-J7 (Form 424B5), at S-33 (June 29, 2005);  
25 Prospectus Supplement for Alternative Loan Trust 2006-6CB (Form 424B5), at S-61, 62 (Mar. 29,  
26 2006); Prospectus Supplement for Alternative Loan Trust 2005-63 (Form 424B5), at S-81 (Oct. 31,  
27 2005); Prospectus Supplement for CHL Mortgage Pass-Through Trust 2006-HYB3 (Form 424B5),  
28 at S-100 (May 1, 2006); Prospectus Supplement for CWHEQ Home Equity Loan Trust, Series  
2006-S2 (Form 424B5), at S-30 (Mar. 29, 2006); Prospectus Supplement for CWHEQ Home  
Equity Loan Trust, Series 2007-S3 (Form 424B5), at S-36 (Mar. 29, 2007).

<sup>14</sup> As noted by Senator Charles Schumer from New York, “Countrywide did more to contribute to  
the subprime mortgage crisis than anyone else.” Kevin Kingsbury, *Sambol Won’t Stay On at B of A*,  
The Wall Street Journal, May 28, 2008 (quoting Senator Schumer).

application from a “full doc” loan program to a “stated income” or “no income, no asset” loan program. He learned that loans were being canceled at the prime regional operations center as full documentation loans and transferred to the sub-prime operations center in Plano, Texas as stated loans or No Income No Assets (“NINA”) loans. *Countrywide’s representatives were aware that the applicant would not be eligible for any loan program based on their current income level and/or job status. So, the loan officer would then coach the loan applicant as to what income level would be needed to qualify* when it was sent to the sub-prime originators in Plano, Texas. The applicant would then apply with sub-prime and would qualify under the status of a “stated” or “NINA” loan application. Indeed, loan officers would go so far as to actually assist the loan applicant with the application to submit to the prime or nonprime unit with *false income amounts*, so that the applicant would get the loan under false pretenses.<sup>15</sup>

66. Similarly, in *In re Countrywide Fin. Corp. Derivative Litig.*, 2008 WL 2064977,

District Judge Pflezer found that:

Here, the witnesses cited in the Complaint, many of whom are labeled “confidential,” paint *a compelling portrait of a dramatic loosening of underwriting standards in Countrywide branch offices across the United States.* The Complaint alleges that underwriting standards were often abandoned entirely with respect to no-documentation loans (or “liar loans”), which “could be published without the ‘burden’ of paperwork.” At least one high-ranking witness even alleges that the Company regularly assisted applicants that had already been rejected for full-documentation loans in obtaining no-documentation loans instead. *Significantly, these lapses in underwriting regularly extended to loans that Countrywide labeled as “prime,” rather than subprime.*

According to the Complaint, *significant deviations in underwriting were permitted even when it was clear that borrowers might not be able to pay.* For example, the confidential witnesses state that under-qualified individuals were given loans for which they could not afford to make payments in the long term—for example, if and when their teaser rate was reset to a higher rate....

*Id.* at \*10 (citations omitted and emphasis added).

<sup>15</sup> *Zachary v. Countrywide*, C.A. No. 4:08-cv-00214 at ¶ 11 (emphasis added); *see also id.* at ¶ 12 (noting that “on at least one occasion, a potential buyer known to Zachary continued to complain because the loan officer filled in an income that the buyer did not even meet.”)



67. Similar allegations of appraisal fraud and manipulation of loan documents have surfaced in other suits recently filed against Countrywide – and the Company is the subject of several investigations by State Attorneys General.<sup>16</sup>

68. Press reports and articles further highlight the excess lending, lax underwriting, and corporate culture that existed at Countrywide during the relevant time period, when the mortgages supporting the Trusts were originated. For example, on August 26, 2007, in an article entitled “Inside the Countrywide Lending Spree,” *The New York Times* reported that:

On its way to becoming the nation’s largest mortgage lender, the [sic] Countrywide Financial Corporation encouraged its sales force to court customers over the telephone with a seductive pitch that seldom varied. “I want to be sure you are getting the best loan possible,” the sales representatives would say.

But providing “the best loan possible” to customers wasn’t always the bank’s main goal, say some former employees. *Instead, potential borrowers were often led to high-cost and sometimes unfavorable loans that resulted in richer commissions for Countrywide’s smooth-talking sales force, outsize fees to company affiliates providing services on the loans, and a roaring stock price that made Countrywide executives among the highest paid in America.*

*Countrywide’s entire operation, from its computer system to its incentive pay structure and financing arrangements, is intended to wring maximum profits out of the mortgage lending boom* no matter what it costs borrowers, according to interviews with former employees and brokers who worked in different units of the company and internal documents they provided. One document, for instance, shows that *until last September the computer system in the company’s subprime unit excluded borrowers’ cash reserves, which had the effect of steering them away from lower-cost loans to those that were more expensive to homeowners and more profitable to Countrywide.*

....

*But few companies benefited more from the mortgage mania than Countrywide, among the most aggressive home lenders in*

<sup>16</sup> See, e.g., Ruth Simon, *Illinois Probes Mortgage Firms*, The Wall Street Journal, Mar. 7, 2008, at A3 (stating that “[i]n Florida, Attorney General Bill McCollum is looking to determine whether Countrywide put borrowers into loans they couldn’t afford or loans with rates that weren’t what the company was advertising or were misleading” and that “[i]n Illinois, Attorney General Lisa Madigan is trying to determine whether Countrywide ... put black and Latino borrowers in subprime or other high-cost loans when they could have qualified for a lower-cost loan.”).

1 *the nation. As such, the company is Exhibit A for the lax and,*  
2 *until recently, highly lucrative lending that has turned a once-hot*  
3 *business ice cold and has touched off a housing crisis of historic*  
4 *proportions.*

5 *"In terms of being unresponsive to what was happening, to*  
6 *sticking it out the longest, and continuing to justify the garbage*  
7 *they were selling, Countrywide was the worst lender," said Ira*  
8 *Rheingold, executive director of the National Association of*  
9 *Consumer Advocates. "And anytime states tried to pass*  
10 *responsible lending laws, Countrywide was fighting it tooth and*  
11 *nail."*

12 . . . .

13 Regulatory filings show that, as of last year, 45 percent of  
14 Countrywide's loans carried adjustable rates — the kind of loans  
15 that are set to reprice this fall and later, and which are causing so  
16 much anxiety among borrowers and investors alike. Countrywide  
17 has a huge presence in California: 46 percent of the loans it holds  
18 on its books were made there, and 28 percent of the loans it  
19 services are there. *Countrywide packages most of its loans into*  
20 *securities pools that it sells to investors.*

21 *Another big business for Countrywide is loan servicing, the*  
22 *collection of monthly principal and interest payments from*  
23 *borrowers and the disbursement of them to investors.*  
24 *Countrywide serviced 8.2 million loans as of the end of the year;*  
25 *in June the portfolio totaled \$1.4 trillion. In addition to the*  
26 *enormous profits this business generates — \$660 million in*  
27 *2006, or 25 percent of its overall earnings — customers of the*  
28 *Countrywide servicing unit are a huge source of leads for its*  
*mortgage sales staff, say former employees.*

. . . .

29 *But Countrywide documents show that it, too, was a lax lender.*  
30 For example, it wasn't until March 16 that Countrywide eliminated  
31 so-called piggyback loans from its product list, loans that permitted  
32 borrowers to buy a house without putting down any of their own  
33 money. And Countrywide waited until Feb. 23 to stop peddling  
34 another risky product, loans that were worth more than 95 percent  
35 of a home's appraised value and required no documentation of a  
36 borrower's income.

. . . .

37 *The company would lend even if the borrower had been 90 days*  
38 *late on a current mortgage payment twice in the last 12 months,*  
*if the borrower had filed for personal bankruptcy protection, or if*

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1 *the borrower had faced foreclosure or default notices on his or*  
2 *her property.*

3 *Such loans were made, former employees say, because they were*  
4 *so lucrative — to Countrywide. The company harvested a steady*  
5 *stream of fees or payments on such loans and busily repackaged*  
6 *them as securities to sell to investors. As long as housing prices*  
7 *kept rising, everyone — borrowers, lenders and investors —*  
8 *appeared to be winners.*

9 . . . .

10 As a result, former employees said, *the company's commission*  
11 *structure rewarded sales representatives for making risky, high-*  
12 *cost loans. For example, according to another mortgage sales*  
13 *representative affiliated with Countrywide, adding a three-year*  
14 *prepayment penalty to a loan would generate an extra 1 percent of*  
15 *the loan's value in a commission. While mortgage brokers'*  
16 *commissions would vary on loans that reset after a short period*  
17 *with a low teaser rate, the higher the rate at reset, the greater the*  
18 *commission earned, these people said.*

19 . . . .

20 *"The whole commission structure in both prime and subprime*  
21 *was designed to reward salespeople for pushing whatever*  
22 *programs Countrywide made the most money on in the secondary*  
23 *market," the former sales representative said.*

24 . . . .

25 When borrowers tried to reduce their mortgage debt, Countrywide  
26 cashed in: *prepayment penalties generated significant revenue*  
27 *for the company — \$268 million last year, up from \$212 million*  
28 *in 2005. When borrowers had difficulty making payments,*  
29 *Countrywide cashed in again: late charges produced even more*  
30 *in 2006 — some \$285 million.*

31 *The company's incentive system also encouraged brokers and*  
32 *sales representatives to move borrowers into the subprime*  
33 *category, even if their financial position meant that they*  
34 *belonged higher up the loan spectrum. Brokers who peddled*  
35 *subprime loans received commissions of 0.50 percent of the*  
36 *loan's value, versus 0.20 percent on loans one step up the quality*  
37 *ladder, known as Alternate-A, former brokers said. For years, a*  
38 *software system in Countrywide's subprime unit that sales*  
39 *representatives used to calculate the loan type that a borrower*  
40 *qualified for did not allow the input of a borrower's cash*  
41 *reserves, a former employee said.*

1 A borrower who has more assets poses less risk to a lender, and  
2 will typically get a better rate on a loan as a result. But, this sales  
3 representative said, *Countrywide's software prevented the input of*  
4 *cash reserves so borrowers would have to be pitched on pricier*  
5 *loans. It was not until last September that the company changed*  
6 *this practice, as part of what was called in an internal memo the*  
7 *"Do the Right Thing" campaign.*

8 According to the former sales representative, *Countrywide's big*  
9 *subprime unit also avoided offering borrowers Federal Housing*  
10 *Administration loans, which are backed by the United States*  
11 *government and are less risky.* But these loans, well suited to  
12 low-income or first-time home buyers, do not generate the high  
13 fees that Countrywide encouraged its sales force to pursue.

14 A few weeks ago, the former sales representative priced a  
15 \$275,000 loan with a 30-year term and a fixed rate for a borrower  
16 putting down 10 percent, with fully documented income, and a  
17 credit score of 620. While a F.H.A. loan on the same terms would  
18 have carried a 7 percent rate and 0.125 percentage points,  
19 Countrywide's subprime loan for the same borrower carried a rate  
20 of 9.875 percent and three additional percentage points.

21 *The monthly payment on the F.H.A. loan would have been*  
22 *\$1,829, while Countrywide's subprime loan generated a \$2,387*  
23 *monthly payment. That amounts to a difference of \$558 a*  
24 *month, or \$6,696 a year — no small sum for a low-income*  
25 *homeowner.*

26 . . . .

27 *Other documents from the subprime unit also show that*  
28 *Countrywide was willing to underwrite loans that left little*  
disposable income for borrowers' food, clothing and other living  
expenses. A different manual states that loans could be written for  
borrowers even if, in a family of four, they had just \$1,000 in  
disposable income after paying their mortgage bill. A loan to a  
single borrower could be made even if the person had just \$550 left  
each month to live on, the manual said.

29 Gretchen Morgenson, *Inside the Countrywide Lending Spree*, The New York Times, Aug. 26, 2007  
(emphasis added).

30 69. Further evidence is also emerging about how Countrywide executives disregarded  
31 warnings from the Company's risk-control managers as early as "late 2003." As was detailed by  
32 *The Wall Street Journal* on February 23, 2008:

1 [David] Sambol (Countrywide's President and Chief Operating  
2 Officer) *brushed aside warnings from risk-control managers at*  
3 *Countrywide that the company's lending standards were too lax,*  
4 *according to four current and former executives at Countrywide,*  
5 though another person familiar with the company disputes that  
6 view. Being too cautious would turn Countrywide into a "nice,  
7 little boutique," a former colleague recalls him saying.

8 . . . .

9 *Countrywide was "willing to cut corners to get market share,"*  
10 says Martin Eakes, CEO of the Center for Community Self-Help, a  
11 nonprofit credit union and consumer-advocacy group in Durham,  
12 N.C. "If Dave Sambol represents that value system," Mr. Eakes  
13 says, his new appointment at Bank of America is "disappointing."

14 *In late 2003, tensions between Mr. Sambol and Countrywide's*  
15 *risk managers boiled over at a meeting of dozens of executives in*  
16 *the company's headquarters.* Nick Krsnich, who as chief  
17 investment officer was responsible for pricing loans and managing  
18 risks, uttered a loud profanity and *walked out of the meeting to*  
19 *protest what he saw as imprudent lending, according to two*  
20 *people who attended the meeting. Mr. Krsnich left the company*  
21 *in early 2006.*

22 Another former executive says Mr. Sambol was "livid" at a  
23 meeting in the spring of 2005, because call-center employees  
24 weren't selling enough option adjustable-rate mortgages, which let  
25 borrowers start with minimal payments and face much higher ones  
26 later. This former executive says those loans were too complicated  
27 to be explained over the phone.

28 . . . .

29 *In the late 1990s, Countrywide was only a bit player in subprime*  
30 *mortgages. But its subprime market share jumped to 7.1% in*  
31 *2005 from 2.4% in 1999,* according to Inside Mortgage Finance, a  
32 trade publication. *Internal documents show that risk analysts at*  
33 *Countrywide were pointing out by mid-2006 that subprime*  
34 *defaults were starting to run far higher than projected by a*  
35 *computer model then used by the company. Yet Countrywide*  
36 *continued to churn out subprime loans.* Subprime-loan volume  
37 declined a moderate 9% to \$40.6 billion in 2006 from \$44.6 billion  
38 a year earlier.

39 Countrywide was so focused on growth that oversized replicas of  
40 monthly bonus checks were hung above the cubicles in at least one  
41 building, so everyone could see which employees were most  
42 successful in their salesmanship.

43 *"The stress level was unbelievable," because of pressure from*  
44 *managers to boost loan volumes,* says another former  
45 Countrywide employee, Tenny Garner, who worked as a loan  
46 officer in Twin Falls, Idaho, until last September.

1 James R. Haggerty, *Mortgage Chief Picked by BofA Sparks Worries*, The Wall Street Journal, Feb.  
2 23, 2008, at B1 (emphasis added).

3 70. Even more alarming were public revelations of an extensive FBI investigation of  
4 Countrywide in March 2008. An article in *The Wall Street Journal* states, *inter alia*:

5 The Federal Bureau of Investigation is probing subprime lender  
6 Countrywide Financial Corp. for possible securities fraud,  
7 according to law-enforcement officials and finance-industry  
8 executives.

9 *The inquiry involves whether company officials made*  
10 *misrepresentations about the company's financial position and*  
11 *the quality of its mortgage loans in securities filings*, four people  
12 with knowledge of the matter said. It is at an early stage, they  
13 emphasized.

14 "We are not aware of an investigation being conducted by the  
15 FBI," Countrywide spokeswoman Jumana Bauwens said in an e-  
16 mail. A spokesman for Bank of America Corp., which is in the  
17 midst of acquiring Countrywide, declined to comment.

18 Fifteen other subprime companies also are under scrutiny by  
19 federal agents and prosecutors in a broad look at the subprime  
20 industry sparked by huge losses on residential mortgages and the  
21 securities used to fund them. *The investigations are examining*  
22 *mortgage-origination fraud, conflicts of interest and undisclosed*  
23 *relationships within the industry, and the practices used to*  
24 *package mortgage-backed securities for sale to investors.*

25 . . . .

26 *Federal investigators are looking at evidence that may indicate*  
27 *widespread fraud in the origination of Countrywide mortgages,*  
28 *said one person with knowledge of the inquiry. If borne out, that*  
*could raise questions about whether company executives knew*  
*about the prospect that Countrywide's mortgage securities would*  
*suffer many more defaults than predicted in offering documents.*

Another potential issue facing the company is whether it has been  
candid in its accounting for losses. People familiar with the matter  
said that Countrywide's losses may be several times greater than it  
has disclosed.

Countrywide, which agreed in January to be acquired by Bank of  
America for \$4 billion, already is under investigation by the  
Securities and Exchange Commission for possibly improper  
accounting. SEC investigators are working closely with FBI  
agents on several subprime investigations, officials said. The  
attorneys general of Florida and Illinois have launched probes too.

Glenn R. Simpson and Evan Perez, *FBI Investigates Countrywide*, The Wall Street Journal, Mar. 8,  
2008, at A3 (emphasis added).

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1           71. On March 11, 2008, *The Wall Street Journal* published an article further detailing  
2 the FBI's investigation of Countrywide, stating:

3           Federal investigators probing the business practices of  
4 Countrywide Financial Corp. are trying to figure out what  
5 Countrywide knew – or in some cases didn't know – about the  
6 incomes and assets of thousands of its borrowers.

7           *The investigators are finding that Countrywide's loan documents*  
8 *often were marked by dubious or erroneous information about its*  
9 *mortgage clients, according to people involved in the matter. The*  
10 *company packaged many of those mortgages into securities and*  
11 *sold them to investors, raising the additional question of whether*  
12 *Countrywide understated the risks such investments carried.*

13           Countrywide, long the No. 1 mortgage company in the U.S. in  
14 terms of dollar value of loan originations, also was *considered*  
15 *among the most aggressive in finding ways to make home loans*  
16 *to consumers whose qualifications couldn't be proved or seemed*  
17 *questionable, mortgage industry executives and analysts said.*  
18 *The Federal Bureau of Investigation has begun looking into its*  
19 *practices in pursuing such business, according to people close to*  
20 *the matter.*

21           ....

22           A criminal case in Alaska offers a look at the kinds of practices  
23 that have caught the attention of federal prosecutors during the  
24 subprime-mortgage crisis and its fallout. In that case, Kourosh  
25 Partow, a former Countrywide sales executive convicted of  
26 mortgage fraud, sought a lighter sentence on grounds that  
27 *Countrywide and another subprime firm were aware that their*  
28 *loan documents "were fraught with inaccuracies," his lawyer*  
*alleged in a court filing. Executives at Countrywide and*  
*American Home Mortgage Investment Corp. "encouraged what*  
*could be characterized as manipulation," the filing alleges.*

29           The FBI has said its investigations of the subprime industry are  
30 focusing on securitizations – the process of bundling mortgages  
31 into pools and selling tranches to investors. "There are many  
32 disclosure issues" in a mortgage securitization, said Joshua  
33 Hochberg, former chief of the Justice Department's fraud section  
34 who now works at law firm McKenna Long & Aldridge LLP in  
35 Washington. "You have to disclose what percentage of the loans  
36 are performing and the adequacy of how the loans are  
37 underwritten. So there could be fraud if there are knowing and  
38 intentional lies in those financial statements." Mr. Hochberg said  
39 prosecutors and the Securities and Exchange Commission will  
40 examine "whether as things started going south anybody made an  
41 effort to keep the problems hidden."

42           In addition, he said, "The SEC will always look to see whether  
43 there is insider trading at a time when you have reason to believe  
44 that the loan portfolio is crumbling." Countrywide Chief  
45 Executive Officer Angelo Mozilo is the subject of investor

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1 lawsuits for selling more than \$400 million in company stock in  
2 recent years. Mr. Mozilo said at a congressional hearing Friday  
3 that he began selling shares he obtained by exercising stock  
options in 2004 because he was heading toward retirement and  
wanted to diversify his investments.

4 . . . .

5 *"When you securitize a pool of loans, you vouch for the quality*  
6 *of those loans," said mortgage-fraud expert Constance Wilson of*  
7 *software firm Interthinx Inc. "So they may be saying that if in*  
8 *fact Countrywide was aware of any [borrower]*  
9 *misrepresentation, then they couldn't represent and warrant the*  
10 *quality of those securities."*

11 Banking analyst Bert Ely of Ely & Associates said *dubious*  
12 *mortgage underwriting apparently was widespread. "If*  
13 *Countrywide's got a problem, everybody's got a problem," he said.*  
14 *Like other subprime lenders, Countrywide had an elaborate*  
15 *process for documenting a borrower's income and assets. But*  
16 *some of its underwriting products required borrowers to provide*  
17 *little to no documentation of their creditworthiness. As the*  
18 *market heated up between 2003 and 2006 and standards*  
19 *loosened, the use of these products increased.*

20 In the Alaska case, Mr. Partow sold hundreds of loans for the  
21 company between 2001 and 2006, when he moved to American  
22 Home following an FBI inquiry into his loans at Countrywide.  
23 "During Partow's tenure the number of loans closed by  
24 Countrywide and American substantially increased," his lawyer's  
25 court filing states. "Both Countrywide and American profited by  
this approximate 2% to 10% increase in market share.

26 *"In order to stay competitive, and increase sales, the companies*  
27 *... encouraged what could be characterized as manipulation,"*  
28 *the filing asserts, through the selective use of financial*  
information. Internal underwriters at Countrywide and American  
were supposed to confirm a borrower's eligibility, and "The  
underwriter had the authority to reject the loan." Yet few loans  
were rejected, according to the filing.

. . . .

Many of the suspected loans were called "stated" loans, in which  
a borrower was required to attest to his finances but wasn't  
required to provide proof. Underwriters allegedly were instructed  
not to check many details of these loans. "This was because  
those knowledgeable in the business understood that stated loan  
programs were fraught with inaccuracies," the filing alleged.

Glenn R. Simpson, *Loan Data Focus of Probe*, The Wall Street Journal, Mar. 11 2008, at A3  
(emphasis added).



**PLAINTIFF'S CLASS ACTION ALLEGATIONS**

72. Plaintiff brings this action as a class action pursuant to California Code of Civil Procedure § 382 on behalf of a class consisting of all persons and entities who purchased or acquired the Certificates of the Issuing Trusts pursuant or traceable to false and misleading Prospectuses issued between June 13, 2005 and December 27, 2007, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, their officers and directors at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

73. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by the Issuing Defendants, and/or their agents, and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions. Billions of dollars worth of Certificates were issued pursuant to the false and misleading Prospectuses complained of herein.

74. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

75. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

76. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether Defendants violated the Securities Act;
- (b) whether statements made by Defendants to the investing public in the Prospectuses misrepresented material facts about the mortgages underlying the Trusts; and

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1 (c) the extent – and proper measure – of the damages sustained by the members  
2 of the Class.

3 77. A class action is superior to all other available methods for the fair and efficient  
4 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
5 damages suffered by individual Class members may be relatively small, the expense and burden of  
6 individual litigation make it impossible for members of the Class to individually redress the wrongs  
7 done to them. There will be no difficulty in the management of this action as a class action.

8  
9 **FIRST CAUSE OF ACTION**

10 **(Violation of Section 11 of the Securities Act Against**

11 **The Individual Defendants and The Issuing and Underwriting Defendants)**

12 78. Plaintiff repeats and realleges each and every allegation contained above as if fully  
13 set forth herein only to the extent, however, that such allegations do not allege fraud, scienter or the  
14 intent of the Defendants to defraud Plaintiff or members of the Class. This count is predicated  
15 upon Defendants' *strict liability* for making false and materially misleading statements in the  
16 Registration Statements, Prospectuses and Prospectus Supplements. This Cause of Action is  
17 brought pursuant to Section 11 of the Securities Act, on behalf of the Class, against the Individual  
18 Defendants and the Issuing and Underwriting Defendants.

19 79. The Prospectuses for the Certificate offerings were materially inaccurate and  
20 misleading, contained untrue statements of material facts, omitted to state other facts necessary to  
21 make the statements not misleading, and omitted to state material facts required to be stated  
22 therein.

23 80. The Individual Defendants and the Issuing and Underwriting Defendants of the  
24 Certificates are strictly liable to Plaintiff and the Class for the misstatements and omissions.

25 81. The Individual Defendants signed CWALT's, CWABS', CWMBS', and CWHEQ's  
26 Registration Statements as detailed herein, *supra* at ¶¶ 41-47.

27  
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1           82. Defendant CSC, an affiliate of CFC, acted as an underwriter in the sale of the  
2 Issuing Trusts' Certificates, and helped to draft and disseminate the offering documents for the  
3 Certificates. Defendant CSC was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

4           83. Defendant JP Morgan acted as an underwriter in the sale of the Issuing Trusts'  
5 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
6 Defendant JP Morgan was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

7           84. Defendant Deutsche Bank acted as an underwriter in the sale of the Issuing Trusts'  
8 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
9 Defendant Deutsche Bank was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

10          85. Defendant Bear Stearns acted as an underwriter in the sale of the Issuing Trusts'  
11 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
12 Defendant Bear Stearns was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

13          86. Defendant BoA acted as an underwriter in the sale of the Issuing Trusts'  
14 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
15 Defendant BoA was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

16          87. Defendant UBS acted as an underwriter in the sale of the Issuing Trusts'  
17 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
18 Defendant UBS was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

19          88. Defendant Morgan Stanley acted as an underwriter in the sale of the Issuing Trusts'  
20 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
21 Defendant Morgan Stanley was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

22          89. Defendant Edward Jones acted as an underwriter in the sale of the Issuing Trusts'  
23 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
24 Defendant Edward Jones was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

25          90. Defendant Citigroup acted as an underwriter in the sale of the Issuing Trusts'  
26 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
27 Defendant Citigroup was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.  
28

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1           91. Defendant Goldman Sachs acted as an underwriter in the sale of the Issuing Trusts'  
2 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
3 Defendant Goldman Sachs was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

4           92. Defendant Credit Suisse acted as an underwriter in the sale of the Issuing Trusts'  
5 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
6 Defendant Credit Suisse was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

7           93. Defendant RBS acted as an underwriter in the sale of the Issuing Trusts'  
8 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
9 Defendant RBS was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

10          94. Defendant Lehman acted as an underwriter in the sale of the Issuing Trusts'  
11 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
12 Defendant Lehman was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

13          95. Defendant Barclays acted as an underwriter in the sale of the Issuing Trusts'  
14 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
15 Defendant Barclays was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

16          96. Defendant HSBC acted as an underwriter in the sale of the Issuing Trusts'  
17 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
18 Defendant HSBC was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

19          97. Defendant BNP acted as an underwriter in the sale of the Issuing Trusts'  
20 Certificates, and helped to draft and disseminate the offering documents for the Certificates.  
21 Defendant BNP was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

22          98. Defendant Merrill Lynch acted as an underwriter in the sale of the Issuing Trusts'  
23 Certificates, and helped and disseminate the offering documents for the Certificates. Defendant  
24 Merrill Lynch was an underwriter for the Issuing Trusts as detailed at ¶ 37, *supra*.

25          99. The Individual Defendants and the Issuing and Underwriting Defendants owed to  
26 the Plaintiff and other members of the Class the duty to make a reasonable and diligent  
27 investigation of the statements contained in the Prospectuses at the time they became effective to  
28 ensure that such statements were true and correct and that there was no omission of material facts

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1 required to be stated in order to make the statements contained therein not misleading. The  
2 Individual Defendants and the Issuing and Underwriting Defendants knew, or in the exercise of  
3 reasonable care should have known, of the material misstatements and omissions contained in or  
4 omitted from the Prospectuses as set forth herein. As such, the Individual Defendants and the  
5 Issuing and Underwriting Defendants are liable to the Class.

6 100. None of the Individual Defendants or the Issuing and Underwriting Defendants  
7 made a reasonable investigation or possessed reasonable grounds for the belief that the statements  
8 contained in the Prospectuses were true or that there was no omission of material facts necessary to  
9 make the statements made therein not misleading.

10 101. The Individual Defendants and the Issuing and Underwriting Defendants issued and  
11 disseminated, caused to be issued and disseminated, and participated in the issuance and  
12 dissemination of, material misstatements to the investing public which were contained in the  
13 Prospectuses, which misrepresented or failed to disclose, *inter alia*, the facts set forth above.

14 102. By reason of the conduct herein alleged, each of the Individual Defendants and the  
15 Issuing and Underwriting Defendants violated Section 11 of the Securities Act.

16 103. Plaintiff acquired the Certificates pursuant and/or traceable to the Prospectuses.

17 104. At the time they obtained their Certificates, Plaintiff and members of the Class did  
18 so without knowledge of the facts concerning the misstatements or omissions alleged herein.

19 105. This action is brought within one year after discovery of the untrue statements and  
20 omissions in and from the Prospectuses which should have been made through the exercise of  
21 reasonable diligence, and within three years of the effective date of the Prospectuses.

22 106. Plaintiff and the Class have sustained damages. The value of the Certificates has  
23 declined substantially, subsequent to, and due to, the Individual Defendants' and the Issuing and  
24 Underwriting Defendants' violations.

25 107. By virtue of the foregoing, Plaintiff and the other members of the Class are entitled  
26 to damages under Section 11, as measured by the provisions of Section 11(e), jointly and severally  
27 from each of the Individual Defendants and the Issuing and Underwriting Defendants.  
28

**SECOND CAUSE OF ACTION**

**(Violation of Section 12(a)(2) of The Securities Act**

**Against The Issuing and Underwriting Defendants)**

108. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

109. This Count is brought pursuant to Section 12(a)(2) of the Securities Act on behalf of the Class, against the Issuing Defendants and the Underwriting Defendants.

110. The Issuing Defendants and the Underwriting Defendants promoted and sold the Certificates pursuant to the defective Prospectuses.

111. The Prospectuses contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and concealed and failed to disclose material facts.

112. The Issuing Defendants and the Underwriting Defendants owed to Plaintiff, and other members of the Class who purchased the Certificates pursuant to the Prospectuses, the duty to make a reasonable and diligent investigation of the statements contained in the Prospectuses, to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. The Issuing Defendants and the Underwriting Defendants knew of, or in the exercise of reasonable care should have known of, the misstatements and omissions contained in the Prospectuses as set forth above.

113. Plaintiff and other members of the Class purchased or otherwise acquired Certificates pursuant to and/or traceable to the defective Prospectuses. Plaintiff did not know, or in the exercise of reasonable diligence could not have known, of the untruths and omissions contained in the Prospectuses.

114. By reason of the conduct alleged herein, the Issuing Defendants and the Underwriting Defendants violated Section 12(a)(2) of the Securities Act. Accordingly, Plaintiff and members of the Class who purchased the Certificates pursuant to and/or traceable to the Prospectuses sustained material damages in connection with their purchases of the Certificates. Plaintiff and other members of the Class who hold the Certificates issued pursuant to the

Exhibit C



1 Prospectuses have the right to rescind and recover the consideration paid for their Certificates.

2 Class members who have sold their Certificates are entitled to rescissory damages.

3 115. This action is brought within three years from the time that the Certificates upon  
4 which this Count is brought were sold to the public, and within one year from the time when  
5 Plaintiff discovered or reasonably could have discovered the facts upon which this action is based.

6  
7 **THIRD CAUSE OF ACTION**

8 **(Violation of Section 15 of The Securities Act**

9 **Against CFC, CSC and CHL)**

10 116. Plaintiff repeats and realleges each and every allegation contained above as if fully  
11 set forth herein.

12 117. This count is asserted against CFC, CSC and CHL and is based upon Section 15 of  
13 the Securities Act.

14 118. Each of CFC, CSC and CHL by virtue of its control, ownership, offices,  
15 directorship, and specific acts was, at the time of the wrongs alleged herein and as set forth herein,  
16 controlling persons of the Issuing Defendants within the meaning of Section 15 of the Securities  
17 Act. CFC, CSC and CHL had the power and influence and exercised the same to cause the Issuing  
18 Defendants to engage in the acts described herein.

19 119. CFC's, CSC's and CHL's control, ownership and position made them privy to and  
20 provided them with actual knowledge of the material facts concealed from Plaintiff and the Class.

21 120. By virtue of the conduct alleged herein, CFC, CSC and CHL are liable for the  
22 aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages suffered as a  
23 result.

24  
25  
26  
27  
28  
Exhibit C

**PRAYER**

**WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action pursuant to California Code of Civil Procedure § 382;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

Dated: June 12, 2008

Respectfully submitted,  
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